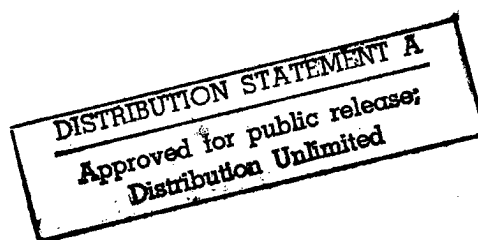


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12 MARCH 1987

West Europe Report



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12 MARCH 1987

WEST EUROPE REPORT

CONTENTS

POLITICAL

FINLAND

SDP, Sorsa Face Ideological Dilemma in Preparing Platform (Editorial, Bjorn Mansson; HUFVUDSTADSBLADET, 5 Feb 87).....	1
Sorsa: Considered Resigning Cabinet During December Crisis (HELSINGIN SANOMAT, 7 Jan 87).....	5
Paper Comments on Koivisto's New Year Address (Editorial; UUSI SUOMI, 2 Jan 87).....	7
Communist Party Appeals Decision Nullifying Factions' Split (HELSINGIN SANOMAT, 8 Jan 87).....	9
Conservative Party Group Plans for Postelection Role (Unto Hamalainen; HELSINGIN SANOMAT, 13 Jan 87).....	10
Center Party Presents Election Platform (HELSINGIN SANOMAT, 14 Jan 87).....	13

GREECE

Comments on Country's New Administrative Configuration (Various sources, various dates).....	16
Changes Detailed	16
Map Provided, by Giorgos Tambakopoulos	19
Politicization Perceived, by G. Tambakopoulos	20
PASOK Seen Losing, KKE Gaining	22

NETHERLANDS

Voorhoeve on VVD's Strategy, Role in Coalition (Hans Goessens, Erik van Venetie; DE VOLKSKRANT, 24 Dec 86).....	24
IKV Chairman on Relations With East Europe (Ien van den Heuvel; DE VOLKSKRANT, 30 Dec 86).....	31

NORWAY

Issues Facing 1987 Party Congresses Summarized (AFTENPOSTEN, 17 Jan 87).....	34
Poll: Presthus Remains Party Leader Favored as Prime Minister (Egil Knudsen; ARBEIDERBLADET, 2 Jan 87).....	37
Poll Examining Trend for 1986 Second Half Finds Labor Decline (AFTENPOSTEN, 17 Jan 87).....	39

TURKEY

Editorial Criticizes State Planning Organization (DUNYA, 17 Nov 86).....	42
---	----

ECONOMIC

ITALY

Prodi Opposes Control of Mediobanca by Private Sector (Dario Venegoni; L'UNITA, 12 Dec 86).....	44
Privatization Proposal Outlined	44
Insurance Company's Role Noted	46

TURKEY

Algeria Halts Payments to Exporters (Ayfer Karatas; DUNYA, 17 Nov 86).....	49
Solutions Sought for Foreclosure-Bankruptcy Crisis (TERCUMAN, 15 Nov 86).....	52
Leading Businessmen Offer Suggestions	52
Private Sector Calls for Banking Consortium	53

Columnist Calls Budget Inflationary (Tevfik Ertuzun; TERCUMAN, 15 Nov 86).....	55
---	----

MILITARY

DENMARK

System of Long-Range Defense Planning Described (O. K. Lind; VART FORSVAR, Nos 9-10, 1986).....	57
--	----

FRANCE

Details of Recent Maneuvers Provided (ARMEE ET DEFENSE, Nov/Dec 86).....	63
Mercure 86 Maneuver Described, by G. Cazalieres	63
Saint-Lys 86 Actions Outlined, by J. P. Dussaix	66
Responsibilities, Purposes of Gendarmerie Outlined (Goux; ARMEE ET DEFENSE, Nov/Dec 86).....	70

NORWAY

Paper Attacks Nordic Center Parties' Stand on NATO (Editorial; AFTENPOSTEN, 19 Jan 87).....	78
Labor Party, Conservative Papers Debate Holst Comments (ARBEIDERBLADET, 16 Jan 87; AFTENPOSTEN, 28, 29 Jan 87)...	80
Labor Party Backs Minister, Editorial	80
'Polemical Campaign' Against Bull-Hansen, Editorial	81
Paper Hits 'Forced Silence', Editorial	82

SWEDEN

Newspapers, Defense Minister Comment on Budget Priorities (DAGENS NYHETER, 15-17 Jan 87).....	84
Liberal Paper Backs Budget, Editorial	84
Conservatives Wanted Greater Increase, by Sven Svensson	85
Newspapers Around Country Comment, Editorial	88
Minister Disparages Coastal Corvettes, by Anders Ohman	90
Disbanding of Units Seen, by Sven Svensson	92
Navy Admits Mistakes Made in Handling Sub Sighting Reports (SVENSKA DAGBLADET, 23 Jan 87).....	95
Civil Preparedness Director: Organization Only on Paper (Sune Olofson; SVENSKA DAGBLADET, 26 Jan 87).....	97

Communist Party Urges 'Decentralized' Defense Structure (Elisabeth Crona; SVENSKA DAGBLADET, 23 Jan 87).....	100
Serious Situation Foreseen in Delaying New Tank Acquisition (Bjorn Zickerman; VART FORSVAR, Nos 9-10, 1986).....	102
Reforms Seen Necessary for Psychological Defense Organization (Anders H. Pers; VART FORSVAR, Nos 9-10, 1986).....	108

ENERGY

NORWAY

Minister, Opposition Leaders, Paper on Cooperation With OPEC (AFTENPOSTEN, various dates).....	111
Minister Explains Production Policy, by Morten Woldsdal	111
Oil Companies Awaiting Developments	112
Willoch Voices Reservations, by Morten Malmo	113
Common Interests With OPEC, Editorial	114
Oil Sales Figures Released	115

SWEDEN

Different Energy Sources Provide Good Supply (Bodil Wallin; SVENSKA DAGBLADET, 25 Jan 87).....	116
Stockholm Energy Supply Seen Vulnerable in Case of Disaster (Bodin Wallin; SVENSKA DAGBLADET, 25 Jan 87).....	117
Briefs	
Few Favor Nuclear Power	121

/12223

SDP, SORSA FACE IDEOLOGICAL DILEMMA IN PREPARING PLATFORM

Helsinki HUFVUDSTADSBLADET in Swedish 5 Feb 87 p 2

[Editorial by Bjorn Mansson: "The Balancing Act of the Country's 'Dominant Party'"; first paragraph is introduction]

[Text] The SDP's starting position for the parliamentary elections is discussed by Bjorn Mansson, who, among other things, points to the balancing act between being the "dominant party" and achieving the ideal and discusses the battle between the SDP and the Swedish People's Party (SFP) for the Swedish-speaking community.

In its capacity as the largest party in the government and the prime minister's party, the SDP, more than any other party, will go into the parliamentary elections being identified with the government and its policy. This point of departure holds both advantages and disadvantages. On the one hand, Kalevi Sorsa's fourth government can point to many good results. On the other hand, as the dominant party in the government, the SDP will also be identified with the government's fiascos, in employment and housing policy, for example.

It is also possible to view the SDP's starting position more philosophically and observe that, to a greater extent than the others, the party--for both good and bad--is identified with Society, the State and--Power. In this respect, the SDP can be considered a "sure" choice, indeed even a safe one --but it can also be considered an alternative only for those who are satisfied. And, in the last analysis, who is, in every respect?

As it goes into the election, the SDP's dilemma is the balancing act arising from the fact that it is a so-called dominant power in the state and yet is a party which is ideologically rooted in the socialist workers movement. Even the choice of electoral slogan, "Our dream is friendship, one world in fellowship," with its poetic ring, indicates that the SDP consciously wants to avoid the label of "dominant party" and give new life to ideals. The party leadership's attempt to spotlight ideology is basically a welcome one, but one potentially fraught with risks. The great majority of people in Finland does not identify itself with socialist ideas.

For quite some time the leadership of the SDP has been able to notice a

division of labor which for its part reflects this balancing act. Party chairman and prime minister Kalevi Sorsa, with his "statesman's profile," personifies the SDP's role as the dominant party in the state--before the elections, then, he must "let out" how ideological and philosophical he wants to be. For his part, party secretary Erkki Liikanen personifies the ideologically and politically polemical, more "aggressive" Social Democrat. At a time when Pirkko Tyolajarvi, one of the party's two vice chairmen, has left active political life and Matti Ahde, the second vice chairman, prefers being environment minister, Liikanen clearly emerges as the SDP's de facto second in command.

So far, the platform the Social Democrats will run on in the election has, to a large extent, been vague. In December an abridged electoral statement was published which, when it was compared in this column with the corresponding appeal from the National Coalition (Conservative) Party, was characterized as being in very general terms. Ideological colorations were conspicuous largely by their absence.

What a pleasant surprise that at its executive committee meeting on 3 March --just 12 days before the election--the party intends to present a more detailed program. That does not give voters much time to think about the party's aims or give competing parties time to debate them. Obviously the SDP trusts that a lot of voters will make up their minds at the last minute.

Today, however, on the basis of statements made by leading Social Democrats, it is possible to infer something from the weights the party has attached to the various electoral themes. Apparently tax policy is SDP theme number one--just as it is for several other parties as well. Besides, SDP's call for "like taxation for all earnings" sounds rather good, but as long as the call is not made more precise, it will still not be clear whether they are also really aiming for the "fairness" they talk about in the same breath.

In recent weeks the SDP has significantly stepped up its criticism of the labor ministry's ability to handle employment issues--the intention appears to be singling out Urpo Leppanen as the scapegoat, despite the fact that Prime Minister Sorsa himself, for example, has stated that the fiasco is entirely the government's.

After taxes and employment, the SDP clearly intends to make agricultural policy and the cost of living themes of the election. There are certainly votes to be fished for here--even if it is in muddy waters.

It will be interesting to see precisely what content is given to the slogan about friendship. An example of one logical element would certainly be a call for a more humane refugee policy, an issue on which the SDP has thus far laid low. Will the party "dare" adopt a high profile on such a controversial issue?

In light of figures showing support for different parties which came out in opinion polls during the last year, the SDP's starting position as it goes into the parliamentary elections does not look good. The fact is that all

the polls have given results below the 26.7 percent result from the 1983 parliamentary elections. The SDP can still take comfort in the fact that since last fall support has risen somewhat.

The interesting thing about the Gallup figures is that declining support for the Finnish People's Democratic League (SKDL) appears not to have led to any corresponding upswing for the SDP. This indicates that some former SKDL voters would prefer greater passivity to changing their party. And those who do change party are clearly not unequivocally choosing the other party on the left, unless some choose the Greens, for example.

As far as the Swedish-speaking community is concerned, the Social Democrats are in a good starting position in all respects, thanks in no small measure to a candidate nominating process in Uusimaa which has been better than in previous years. There, if all goes well, the present Swedish-speaking Social Democrat Kaj Barlund will be joined in parliament by Lauri Metsamäki and Marianne Laxen, even though the latter's election may depend on votes from Finnish speakers. In Helsinki laborites have a good opportunity to regain the so-called Fagerholm-Friberg seat with Ilkka-Christian Björklund. In Vaasa Province, Mats Nyby's reelection should not be threatened, whereas in Turku Province the Söderman seat can hardly be regained.

At the same time, the SDP's leading rival for the Swedish-speaking community, the Swedish People's Party (SFP), also has a good starting position--with a genuine chance to win a seat, at least in Uusimaa.

Of no small importance is the fact that, in the case of the two primary political alternatives for the Swedish-speaking community in Finland, the SFP and the SDP, these starting positions are being accentuated more sharply than perhaps ever before. Indeed, this time around, the other parties will get few seats from Swedish-speaking voters. The fight for floating support is unequivocally between the SFP and the laborites.

In an electoral campaign, not simply promoting one's own party's merits but also putting the competitors' in as unfavorable a light as possible is viewed as fair play. Nevertheless labor candidate Kaj Barlund's tactic of conducting a campaign which is more anti-SFP than pro-SDP looks a bit unfair. For some time now, with the kind support of the SDP press, Barlund has accused the SFP of having "gone way to the right" and has said, for example, that it has "weakened its reliability as an alternative in the middle." His aim is clear; he is attempting to make the Social Democrats' niche bigger. Specific evidence of the SFP's "turn to the right" has, however, been blurry.

At the same time, the SFP must take it as a clear challenge when Barlund, as he did last Saturday, goes out and says that "in the present session of Parliament, it has been the Social Democrats who have been responsible for the big achievements in the development of linguistic service to Finnish speakers of Swedish." It is possible he was thinking of the SDP's achievements in relation to those of the opposition National Coalition (Conservative) Party or of the monolingual Finnish Center Party--but he did not say so.

A benevolent interpretation of the kickoff of Barlund's campaign would be that it is hard for the dominant party in the country to get used to the idea that you do not lead the way for all the tea in China. As far as the interests of Finnish speakers of Swedish are concerned, for example, the Social Democrats could concede the SFP's indispensable function, just as the SFP is generally able to concede the significance of the Social Democrats when it comes to winning the support of the linguistic majority for issues of concern to the Swedish-speaking community. Even if that support tends to be hard to get.

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SORSA: CONSIDERED RESIGNING CABINET DURING DECEMBER CRISIS

Helsinki HELSINGIN SANOMAT in Finnish 7 Jan 87 p 10

[Article: "Sorsa Considered Dissolving His Cabinet Before Christmas. President's Wish Kept Ranks in Line"]

[Text] Prime Minister Kalevi Sorsa (social-democrat) reports having considered dissolving his cabinet before Christmas. In a television interview Tuesday night, Sorsa said that he was ready to throw in the towel during the budget disputes between the cabinet parties.

He said that, at that time, he had discussed with Finance Minister Esko Ollila whether they should inform the entire cabinet that their task becomes impossible "unless they come to their senses."

However, according to Sorsa, Ollila later changed his mind. Sorsa did not disclose the reason for Ollila's change of mind. Before Christmas the cabinet parties were fighting about the rules of their procedures when discussing the Kollaja dispute and the tax deduction of child care expenses, among other things.

When asked whether President Mauno Koivisto saved the cabinet, Sorsa answered that it had become obvious to him that the president wanted the cabinet to continue.

Sorsa and Foreign Minister Paavo Vayrynen (Center Party) were interviewed by four editors-in-chief on television. The interviewers were particularly interested in the relations between Sorsa and Vayrynen after the disputes in the fall. Even before the budget disputes in the Parliament in the autumn, feelings became heated when Vayrynen expressed his opinions about the way the CEFTA trade is managed and the economic outlook.

"Discussion Atmosphere Was Weakened"

According to Sorsa, the disputes did not change anything in the working of the cabinet. "But it contained features which certainly contributed to weakening the possibilities of a confidential discussion, which is a prerequisite of smooth decision-making," said Sorsa.

When asked whether the trust had been re-established, Sorsa said he would take up the issue again during the next cabinet.

Vayrynen, on the other hand, said that the cabinet is able to discuss issues in a civilized manner now and has done so before. "Even if I and Sorsa [sic] as party leaders disagree on certain issues, I have not noticed that it would affect personal relations," Vayrynen assured.

He added that he is "basically ready for cooperation with such social-democrats as the party will appoint to different tasks."

Vayrynen said he hopes that the rules of the procedures in the cabinet will stay in force until the end of the tasks, "even if, in the election fever, someone may try to kick over the traces." Sorsa believes that "election horses must race, but not too friskily."

Both Sorsa and Vayrynen repeated their old views on the future cabinet composition. Vayrynen considers a coalition cabinet of the conservatives, the center and the social-democrats the best alternative. Vayrynen does not see a purely conservative cabinet as desirable. According to Sorsa, all parties are on the same starting line when negotiating about the cabinet platform. "Those who agree on the platform will form the cabinet."

When talking about the disputes concerning the CEMA trade in the fall, Sorsa reproached Vayrynen for having chosen the wrong forum. The prime minister thought that Vayrynen should have brought up the issue in the cabinet and not in newspaper interviews.

According to Vayrynen, his views came out, one way or another, in the cabinet as well. "More in that other way," snapped Sorsa.

Sorsa Would Increase Work Force Mobility

Both were pleased with the cabinet's achievements, except in the employment issue. When asked whether the mobility of the work force should be increased, Sorsa replied by stating that he himself has moved 12 times. "And most often I have gone after the bread. And it is not so terrible."

According to Sorsa, the work of the cabinet has concentrated on moving jobs and this should be continued. "But we must also think about how to make the work force more mobile."

Vayrynen, on the other hand, thinks that the mobility of the work force has already been promoted enough. He put his hopes in local policies and in the industry's increased ability to compete, which would contribute to getting over the industry's structural change. Sorsa reminded that in the past years the ability to compete has been favorable compared with several other countries. If it is improved further, it means cutting down the level of consumption, claimed Sorsa. He believes that the desire to provide jobs is needed for the improvement of the ability to compete.

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PAPER COMMENTS ON KOIVISTO'S NEW YEAR ADDRESS

Helsinki UUSI SUOMI in Finnish 2 Jan 87 p 2

[Editorial: "The President's Theses"]

[Excerpts] The traditional New Year address by the president of the republic showed Mauno Koivisto at his most typical. He threw in the air about a dozen theses on central issues without making any one of them concrete.

Koivisto has said that in such a way he will intentionally leave some questions open--to stimulate discussion, but also to create room for himself. It was typical of Urho Kekkonen's style to simplify and focus, so that no one could miss his intention.

Koivisto had a reasonably hopeful attitude towards the international situation, even though he did emphasize the danger of mass destruction arms, the UN crisis and several local problems: he even considered the results of the Reykjavik summit historical in their significance.

Koivisto emphasized that the focus in our foreign policy is on preserving the good relations with our neighbors. In some circles this has been considered retreating to our own Impivaara [Reference to Aleksis Kivi's book "Seven Brothers". Impivaara was where the brothers withdrew from the world. Translator]. However, our possibilities to influence the major problems of the world are small; what is essential is to act so as not to contribute to them.

A good example of bearing concrete global responsibility was the news of our paying our share to the United Nations in advance. There have been enough big words, particularly in the issue of the developing countries; practical deeds are more important.

The several initiatives on the security policy of the Nordic countries are progressing well, says Koivisto. Nevertheless, the progress seems slow, particularly in the issue of nuclear-free zone in the Nordic countries. However, what is significant is that the constructive discussion on guaranteeing the security in the Nordic countries continues. In this case the process may be more important than the end result.

Koivisto defined our defense policy in his "sea speech" in October. The discussion was continued further by the commander of the Armed Forces in a critical assessment of our armament. The commander-in-chief was now looking for a middle course: the defense ability has to be guaranteed, but we cannot "be armed for each imaginable situation." However, even bigger countries collide with the problem of insufficient funds while the weapons technology develops.

Koivisto did not specify these different situations, but the issue probably concerns the land forces, above all. He repeated his doubts about our country becoming the arena for extensive military operations on land. This is undoubtedly true, but even in the widely discussed interim space of the issue between war and peace it is possible to imagine that the territorial integrity of Lapland could be violated on land.

Undoubtedly we cannot provide modern arms to the entire reserve consisting of 700,000 men, not to mention being armed for the military operations experienced in the world wars. However, we should adhere to the established goal of arming defensive troops of 250,000 men, so that the land forces could at least perform limited tasks. Even then the armament would be defensive, above all.

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CSO: 3617/43

COMMUNIST PARTY APPEALS DECISION NULLIFYING FACTIONS' SPLIT

Helsinki HELSINGIN SANOMAT in Finnish 8 Jan 87 p 10

[Article: "Communist Party Appeals to Court of Appeals in Party Convention Case"]

[Text] The Communist Party [SKP] will appeal to the Court of Appeals from the decision made by the Helsinki Municipal Court according to which the dismissal of the minority factions of SKP would not have been in compliance with the party rules. The decision about appealing was made in the political committee of SKP on Wednesday.

According to the opinion of the committee, the party acted according to the rules and in a manner approved by the Ministry of Justice in all issues in dispute as well as in the issues referred to in the lawsuit. At the same time, the committee emphasized that the decision of the Municipal Court was not made until after a two to one vote and it is further stated that even the Municipal Court did not agree on declaring the entire extraordinary convention of SKP illegal.

According to SKP, the party leadership verified, in advance, the legality of all the measures as well as their compliance with the rules at the registry of associations of the Ministry of Justice. At the same time, the committee accuses the "group of informers" of a lawsuit taken up on political grounds.

According to the committee, the decision made by the Municipal Court is in conflict with the law on associations and the generally accepted interpretation of the rules of SKP and the general practice in associations in our country.

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CSO: 3617/43

CONSERVATIVE PARTY GROUP PLANS FOR POSTELECTION ROLE

Helsinki HELSINGIN SANOMAT in Finnish 13 Jan 87 p 10

[Article by Unto Hamalainen: "Conservative Party Slackening Group Discipline. 'Freer Hands to Party Representatives in Cabinet'"]

[Text] The Conservative Party wants the members of the Parliament representing a cabinet party to have freer hands in the Parliament than they now have. The cabinet should establish in advance on which issues the members of a party represented in the cabinet are expected to support the proposals made by the cabinet.

The new principle of cabinet cooperation is included in the proposal for the party's new platform made by the Conservative Party's platform committee. The new platform is expected to be approved at the party convention, at the beginning of February, as a new guideline for the party.

Jouni J. Sarkijarvi, vice-chairman of the Conservative Party, who chaired the platform committee, calls the platform proposal a "cabinet platform proposal" and a "ministers' agenda".

"In the cabinet platform negotiations, the Conservative Party will propose this as one of the principles of agreement. The cabinet defines the issues it considers important from its own point of view and in which the representatives of a cabinet party cannot have free hands," explains Sarkijarvi.

"The current system, in which the chairmen of four parliamentary groups decide what kind of technical changes can be made through the parliamentary committees, is quite crazy. They have not heard any experts anyway."

In the platform formulation of the Conservative Party, the platform is somewhere between a short-range basic platform and a list of special programs. The platform is mainly a summary of special programs. It consists of well over 60 pages. The last time the platform was revised was in 1979 when Weiho Pitkanen, a program manager who later moved to the Center Party, did the writing.

This time the platform has been written in a small platform committee and it will not be discussed in the basic sections of the party. It is enough that it will be discussed in the party convention, which consists of the district representatives.

Market Economy Emphasized

The main changes in the new platform are made in the economic-policy objectives. The current platform declares that the economic doctrines of the Conservative Party are based on selective social economy, words which are rarely used even in the party's own daily life.

The internal rightwing faction within the Conservative Party has not approved the selective economy. It has been considered a weird issue which confuses the party's image as a supporter of the market economy.

The new platform begins with more familiar words. "The Conservative Party considers market economy the best way to guarantee the citizens' freedom of choice in economic issues."

Selective social economy has been retained in the platform as the new evolution doctrine of the Conservative Party. "Selective social economy means developing the market economy to correspond to the ideological goals of the Conservative Party."

Sarkijarvi thinks that the platform proposal supports the market economy more strongly than before, opposing centralized leadership and money which does not belong to anyone. Sarkijarvi is also worried about the centralization of the economy and the weakening of competition.

The platform proposal also includes a brief opinion on venture capital. No demands are made to privatize the services by the government and the communities. In order to shorten the lines of people waiting for surgery, the practice of buying the services from the private sector or from abroad is approved.

Nuclear Energy Retained

Not even the nuclear power plant catastrophe of Chernobyl turned the conservatives against nuclear energy. Demands are not made to close down nuclear power plants, but the party is ready to postpone the building of new power plants.

"To study the risks associated with nuclear energy and to develop nuclear technology, the decision concerning further building of nuclear energy facilities must be re-introduced, but not earlier than in the mid-1990's."

The current platform takes a stronger stand against building new power plants, but in the meantime, during the chairmanship of Ilkka Suominen, special programs favoring nuclear energy have been written for the party.

Also other demands have been recorded in the new platform; the party has already demanded them in its everyday politics even though it still speaks differently in its current platform. In the new platform, a direct, two-stage

presidential election is called forth while the current platform still talks about an electoral college.

The Conservative Party had to assert its opinion on the issue of presidential elections since the policy, as it stands in the current platform, has been recorded word by word in the constitution package.

Three Provinces Must Be Established

There are also controversial issues in the platform proposal, which was written by a large group. The current platform calls for provincial self-administration. In the new platform, an evaluation is presented that provincial self-government should not be implemented for the time being. At the same time, however, the establishment of three new provinces, in Pirkanmaa, Satakunta and Kainuu, is proposed.

Jouni J. Sarkijarvi suspects that the platform proposal will be modified in the party convention. Even the international part of the platform has been written in the ordinary Finnish language. A new proposal is to increase the number of refugees.

The earlier platforms have been written in the style of visit communiques and diplomats. Those wishing liturgy, want to leave their own stamp in the platform.

Besides the parliamentary elections, the approaching presidential elections have been taken into consideration in the platform. As a guideline to the conservatives, one of the favorite phrases of Harri Holkeri, the presidential candidate, has been included. "The goal is that it is easy to include exercise in daily life so that the general condition remains good."

12956

CSO: 3617/43

CENTER PARTY PRESENTS ELECTION PLATFORM

Helsinki HELSINGIN SANOMAT in Finnish 14 Jan 87 p 15

[Article: "Center Party Devised Election Platform Consisting of 73 Issues. Surplus Production Must Allowed, Suburbs Must Be Protected, Government Offices Must Be Closed..."]

[Text] Major revisions must be made in the tax system, agricultural surplus must be allowed, parks in the suburbs must be protected, social security must be increased, interest rates must be lowered, matriculation examination must be retained, number of colleges and universities must be increased, some central government offices must be closed, ability to compete must be improved, social security payments must be revised, voluntary venture capital funds must be established.

With these goals and demands, the Center Party is starting the campaign to win additional 5-10 seats in the parliamentary elections in March i.e. "well over 40 seats in the Parliament." These are also the demands the party is going to lay on the table when the negotiations about the cabinet platform and coalition will begin after the elections.

On Tuesday the Center Party announced its election platform, which is long and thorough. It contains a total of 73 itemized issues which Chairman Paavo Vayrynen, who has studied Paasikivi's memoirs, now calls "points." While each point contains several issues, there are hundreds of objectives and goals in the Center Party's platform.

"It is no three-page statement of slogans; it has been made with a serious mind," Seppo Kaariainen, party secretary, describes the product.

Center Party's Law and Commitment

"It will be our law in the cabinet negotiations," Kaariainen described the commitment made in the election platform.

Also in Vayrynen agrees that the goals of the platform are commitments given to the voters. The Center Party aims at implementing its hundreds of goals during the electoral term.

However, the leadership of the Center Party did not want to raise any one of their points into a threshold issue, such that its exclusion from the platform of the new cabinet would involve dropping the party from the cabinet as well.

"What is essential is the direction of the cabinet policy. That has to be correct," Vayrynen explained his party's terms.

Direction Right or Left

Concerning the composition of the new cabinet, the platform only repeats the old opinion that the cabinet must be a functional majority cabinet on a broad base which will strengthen national unity. According to Vayrynen's explanation, the cabinet framework should consist of the center, the conservatives and the social-democrats and, in addition, the cabinet should be "center-led." What Vayrynen does not want to say yet is whether being center-led implies Vayrynen as the prime minister.

There is a strong national feeling, the feeling of being Finnish, in the Center Party's platform. Vayrynen explained that the Center Party is the only national party. The models for the other parties have been taken from abroad.

The label of the Center Party's platform and the slogan of the party is "Finnish Direction." In its election poster, the direction is projected by a swan flying to the right. However, the party officials say that if you look at the poster very carefully, the swan is actually bearing to the left.

According to the party secretary, the Center Party platform "is very social, emphasizing justice and equality." The platform concentrates on employment, social issues, culture, development of rural areas, district and foreign policies and on creating "alternatives to the environmental policy of Matti Ahde (social-democrat)."

The alternative means that, according to the Center Party, the government should not protect the countryside owned by farmers but the parks in the suburbs instead.

The countryside is a "national life insurance" and its population should be retained at least at the current level. Agricultural production must be "somewhat" bigger than consumption, surplus must continue to be allowed.

Peat to North, Gas to South

"Giving up nuclear energy" must be evident in the decisions during the electoral term so that the fuel in the power plants in the north will be peat and in the the south natural gas.

The Center Party prevents unemployment by creating new jobs. That will happen with the revision of business activities and the improvement of competitive ability.

The tax system will be revised "on a broad base and in a controlled manner." The rates of the highest local taxes will be lowered and a revision of the marginal tax system will be implemented. The employers' social security payments will be collected on a new basis and graduated so that they will

higher in the south than in the north. The Center Party still favors cutting coupons: acquisition of shares should be supported.

The long list of social issues contains the numerous demands published by the party on earlier occasions. Such issues are, for example: subsidizing home care of children under seven, the escalated increases in social security and pensions will be made uniform, the minimum per diem paid from health insurance will be raised, the system of family physicians will be implemented within a few years, the working days of the parents of small children will be shortened, the new child care deduction in taxes will be raised, the right to deduct loan interests will be graduated according to the size of the family, etc.

On the list of demands are also, among other things, limiting the growth of the metropolitan area and deleting some central government offices.

In foreign policy, the Center Party promotes joint Nordic sanctions against South Africa, not separate decisions made by Finland.

Center Delegation

While the elections are getting closer, a joint organ of the parties of the center has been taken out of the mothballs: the center delegation, which will meet on Friday, for the first time after several years. A newcomer, the Christian League, is now included for the first time.

The delegation will finish the joint tax program for the elections and the cabinet negotiations of the four center parties: the Center Party, the Swedish People's Party, the Liberal Party and the Christian League.

The meeting will also plan guidelines for the methods of the center's operation in the approaching cabinet negotiations. The Center Party, liberals, and Christians have agreed to enter the negotiations as a joint block. But the Swedish People's Party has kept its own freedom of choice, at least for the time being.

12956

CSO: 3617/43

COMMENTS ON COUNTRY'S NEW ADMINISTRATIVE CONFIGURATION

Changes Detailed

Athens I KATHIMERINI in Greek 20 Jan 87 pp 1,3

[Excerpt] On 19 January, the Council of Ministers decided on dividing the country into 13 districts, thus creating well-founded suspicions that the new regional division will be the essential element for a future electoral law conforming to the distribution of PASOK's forces. This conclusion about the expediency of the country's administrative division, which was suggested by Minister of Interior Menios Koutsogiorgas, emerges not only from the minister's inability to answer the well-justified question of what were the special criteria with which the decision was made, but also from the fact that the criteria which prevailed in the end were not those recommended by the committee of experts, but those related to the correlation of the parties' forces throughout Greece.

These more distant targets of PASOK are revealed and censured by a New Democracy communication which notes that the division decided upon: First, is a more dictatorial edition of the PAK [expansion unknown] program for dividing the country into regions; second, will facilitate the government in making the control on the districts more suffocating, so it can be kept in power; and, third, is a copy of the dictatorship's analogous law.

It is noted that this decision of the Council of Ministers has restored some equilibrium to the opposing proposals which had been developed in a previous meeting of the Council, and, thanks to this equilibrium, alterations were made in the composition of each district.

The Country's Division

The Council of Ministers decided on the following administrative division of the country into districts:

1. District of Eastern Makedonia and Thraki, district seat, Komotini. Includes the nomes Evros, Rodopi, Xanthi, Drama and Kavala.
2. Central Makedonia, district seat, Salonica. Includes the nomes Thessaloniki, Khalkidiki, Kilkis, Pella, Imathia, Pieria and Serrai.
3. Western Makedonia, district seat, Kozani. Florina, Kozani, Kastoria and Grevena nomes.

4. Ipeiros, district seat, Ioannina. Ioannina, Arta, Thesprotia and Preveza nomes.
5. Thessalia, district seat, Larisa. Larisa, Magnisia, Trikala and Karditsa nomes.
6. Ionian Islands, district seat, Kerkyra. Kerkyra, Levkada, Kefallinia and Zakynthos nomes.
7. Western Central Greece, district seat, Patra. Aitolokarnania, Akhaia and Ileia nomes.
8. Central Greece, district seat, Lamia. Fthiotis, Evrytania, Fokis, Voiotia and Evvoia nomes.
9. Attiki, district seat, Athens. Attiki Nome.
10. Peloponnisos, district seat, Tripoli. Korinthia, Argolis, Arkadia, Messinia and Lakonia nomes.
11. Northern Aegean, district seat, Mytilini. Lesvos, Khios and Samos nomes.
12. Southern Aegean, district seat, Ermoupolis. Kyklades and Dodekanisos nomes.
13. Crete, district seat, Irakleion. Khandia, Rethymni, Irakleion and Lasithion nomes.

Analysis of the Decision

An analysis of the Council of Ministers' decision was made yesterday by Minister of Interior Koutsogiorgas during his meeting with journalists. As the minister explained, by the term "district" we do not mean an intermediate level of administration between nomarchy and central administration but a new organic structure on a regional level intended for the planning, programming and coordinating of regional development.

The plan for a presidential decree on the country's division, continued Koutsogiorgas, will be sent to the Council of State and then to the president of the republic for signing.

Also, according to what the minister of interior said:

1. The entire public sector is adapting the territorial jurisdiction of its nomarchy services to comply with the boundaries of the districts.
2. Appointed in every district (within the next two to three months) will be a general secretary as a direct representative of the government (district authority) who is in charge of all the regional-level civil, police and harbor services.
3. In every district a district council is to be established, with the general secretary as president and the following members: the district's nomarchs, the presidents of the nomarchy self-governments and a TEDK [Technical Equipment of Municipalities and Communities] representative from the district's nomes.

Intense Contrariety

The contrariety of opinions between ministers was intense on the issue of the country's division during the 19 January Council of Ministers meeting. In the end, as we reported in the beginning, neither of the two tendencies (of the minister of interior, Koutsogiorgas, and the present minister of education, Andonis Tritsis) prevailed. What was underlined by authoritative circles, however, is that:

"Very few of the points which had been noted by experts as concerns the country's administrative division were taken into consideration, first by Tritsis and later by the minister of interior."

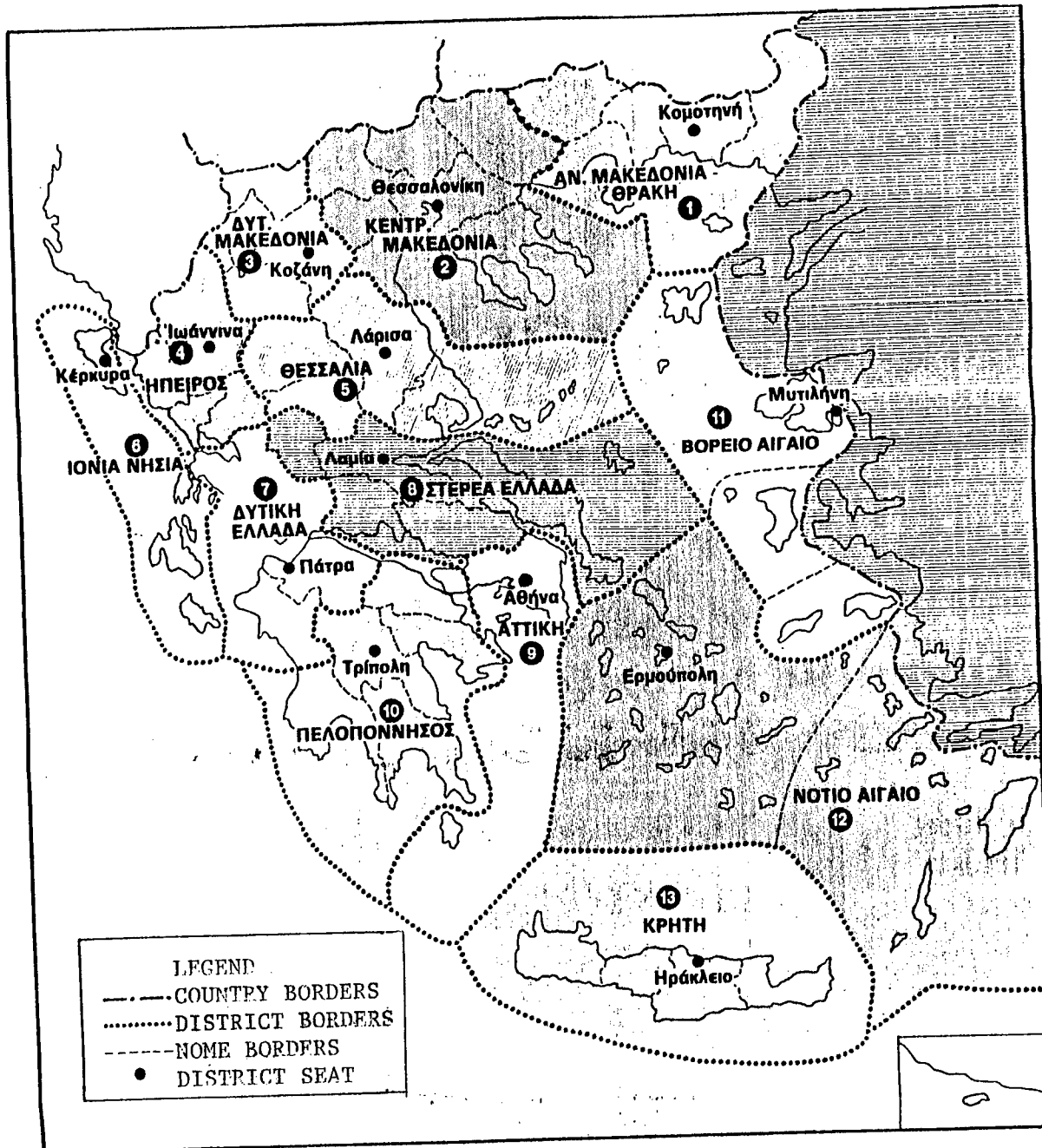
More specifically, an official who worked on the country's division stressed that the government's final choices have no connection to the experts' proposals. The same official added yesterday that, in particular, the incorporation of all the Ionian islands into a unit apparently was done with the sole criterion being satisfying a specific minister.

Map Provided

Athens I VRADYNI in Greek 20 Jan 87 p 9

[From an article by Giorgos Tambakopoulos]

[Excerpt]



Key:

1. Eastern Makedonia-Thraci, district seat, Komotini
2. Central Makedonia, district seat, Salonica

3. Western Makedonia, district seat, Kozani
4. Ipeiros, district seat, Ioannina
5. Thessalia, district seat, Larisa
6. Ionian Islands, district seat, Kerkyra
7. Western Greece, district seat, Patra
8. Central Greece, district seat, Lamia
9. Attiki, district seat, Athens
10. Peloponnisos, district seat, Tripoli
11. Northern Aegean, district seat, Mytilini
12. Southern Aegean, district seat, Ermoupolis
13. Crete, district seat, Irakleion

Politicization Perceived

Athens I KATHIMERINI in Greek 21 Jan 87 p 2

[Article by G. Tambakopoulos]

[Text] For three decades now, the need for a new administrative division of the country has been noted. This need arises from the fact that the bureaucratic arrangement and excessive development of certain areas at the expense of others make it very difficult to take joint decisions and exercise a unified policy. The difficulties, however--which were also connected with a scientific analysis of the facts--left the rough planning to certain offices. In the end, the government proceeded to a new plan which, however, does not justify its own existence!

This is because those scientific facts which should have been taken into consideration apparently were not pleasing to the appropriate ministers and to the government, more generally!

Thus we arrived at the conclusion that this concerns a new administrative division of the country which will be a predetermination for political developments and differentiation of the political forces, particularly in the district, but also will lead to a rough outline for creating another electoral system.

According to scientific facts, "districting" requires feeding human and electronic brains with thousands of data and criteria.

The district's capital, for example, must have the appropriate geographic and economic position and a suitable base so it can comply with its role (How many of the capitals-district centers have such "qualifications"?).

We can maintain that the particular difficulty for the country's new administrative division arises from the fact that the "prototyping" on which this division should have been based has the present nome as an indispensable element!

So we must assume from the beginning that the district is not (as is maintained by the government which somewhere has apparently confused things) a separate piece, that is, a different level of power and administration, but is the highest administrative rung of the nomarchy and therefore has direct connections with the nome and is not able to function autonomously.

Any effort whatsoever to redivide the country, without our taking into consideration the present nomarchies, will have to face very many problems, the chief one being that there are no official data for a large number of variables on a scale greater than that of the nome.

Expediency of the Division

So we are led--with this reasoning--to the conclusion that the government is making a mistake somewhere, or at least is not "putting its cards on the table" as concerns the expediency of the new division! The opinion that, with the district authorities, the government will exercise party control on the district, does not hold up. This is because it has already had the nomarchs (government representatives in the nomes) who exercise control on a smaller geographic unit than that on which the district authorities will exercise control--through the nomarchs!

But also the entire presentation of the issue, and the reasoning developed by the appropriate government factors, is contradictory. On one hand, the government talks about a different level of administration which has no connection with the third-degree self-government but...is a new administrative division, while, at the same time, it aims at decentralization!

The goals themselves clash with each other! How, for example, can the goal of decentralization be achieved without organizations, public services, ministries, an entire state mechanism changing programming?

In order for such a thing to be achieved, there must be rearrangements of public services as regards the area of their jurisdictions. There must also be removals of a large part of the employees (transfers of public employees) and at the same time a radical change in the country's communication planning (a long-term and expensive goal).

If, again, this is not the government's goal, that is, it does not wish (to oversimplify) the citizen of the second or third district to be served by the district's center, instead of coming to Athens, then what is the goal?

Maybe programming? But this is achieved with the services of the nomarchies whose structure has been tested for decades. The allocation of credits? But this occurs on a nome level. Why would sum A not be granted directly to each nome instead of a larger sum being divided among the district authorities to distribute to the nomarchs? Perhaps, in the end, we are creating an even bigger bureaucratic mechanism?

With simple logic--from the moment the scientists' studies were not taken into consideration to the degree they should have been--the new division does not aim at anything essential.

We arrive at the conclusion that either it was done "for the eyes of the world" or the way is being paved for creation of a new electoral law!

PASOK Seen Losing, KKE Gaining

Athens PONDIKI in Greek 23 Jan 87 p 7

[Text] The following chart "emerged" based on a hypothetical system according to which elections take place with the country divided not into 56--as it is now--electoral districts, but into 13 larger ones. To calculate the number of seats each party would get, we took the votes of the last parliamentary elections in 1985, while the seats in the 13 districts were "allocated" in two "apportionments" (the "apportioning" of the state seats does not change). In the first column are the names of the districts and following are the columns with the seats the parties took in each district in 1985 (in other words, the total seats for the electoral districts which belong to each of these) and those they would take (in the adjacent column) if elections occurred with a division into large districts.

	PASOK		ND		KKE		KKE (Int)	
Districts	'85		'85		'85		'85	
Attiki	36	34	31	30	8	10	1	2
Eastern Makedonia-Thraki	10	8	9	11	—	—	—	—
Central Makedonia	24	22	22	22	1	3	—	—
Western Makedonia	7	5	5	6	—	—	—	—
Ipeiros	8	7	5	5	—	1	—	—
Thessalia	11	12	11	9	1	3	—	—
Ionian Islands	5	4	1	2	—	—	—	—
Western Greece	14	12	9	9	—	2	—	—
Central Greece	11	10	8	8	—	1	—	—
Peloponnisos	9	9	12	11	—	1	—	—
Northern Aegean	4	4	2	2	1	1	—	—
Southern Aegean	5	4	2	3	—	—	—	—
Crete	11	10	4	4	—	1	—	—
Deputies of State	6	6	5	5	1	1	—	—
Total	161	147	126	127	12	24	1	2

The fencing off of the "district" is occurring with these 13 districts into which the government has divided the country--and the havoc will grow when the names of the districts are communicated! What is the meaning of the division?

First, the government is talking about a special level of decentralized power.

Second, the opposition has objections but--inwardly--also uncertainties: Is there really some electoral ruse of Menios [Koutsogiorgas] hidden behind this whole story?

The answer is no--and (from our side, at least) it is real: PASOK loses from such an arrangement!

That is to say? Let us clear things up: Elections with 13 large districts have not taken place. If, however, they did, what would be the result? Pay attention:

First, a simple and pure proportional system with the many small districts does not exist.

Second, with the large electoral districts, the results may be more proportional. It is very close without, however, being a simple proportional system.

If we take the votes which the parties received in the 1985 parliamentary elections and extract the number of seats which each party would win in the 13 large (not 56 small) districts, then:

1. PASOK "loses" the absolute majority, electing 147 deputies (instead of the 161 it elected in 1985). The "greens" "lose" two seats in the districts of Attiki, Thraki, Central and Western Makedonia and Western Greece and one in Ipeiros, Ionian Islands, Central Greece, Southern Aegean and Crete. They remain the same in Northern Aegean and Peloponnisos and "gain" a seat in Thessalia.
2. ND "gains" a deputy (127 versus 126 which it won in 1985). The "blues" "lose" two seats in Thessalia, one in Attiki and Peloponnisos and "gain" two in Thraki and one in Western Makedonia, Ionian Islands and Southern Aegean. They remain the same in Central Makedonia, Ipeiros, Western Greece, Central Greece, Northern Aegean and Crete.
3. The KKE is the "big winner" since it soars from 12 to 24, winning two more in Attiki, Central Makedonia, Thessalia and Western Greece (thus far no KKE deputy has ever been elected in this area) and one in Central Greece, Peloponnisos, Crete and Ipeiros (in those four districts no KKE deputy has been elected up to now). It remains the same in Northern Aegean.
4. The KKE(Int) "wins" one more deputy (giving them two instead of the one they have now) in Attiki.

All this is completely theoretical and...to pass the time. Because, in the end, no one can be certain with either PASOK (generally) or Menios (in particular) about anything, and the 13 districts (even these!) just may--under certain conditions--help "crafty" electoral systems....

9247

CSO: 3521/71

VOORHOEVE ON VVD's STRATEGY, ROLE IN COALITION

Amsterdam DE VOLKSKRANT in Dutch 24 Dec 86 p 9

[Report on interview with VVD Parliamentary Group Leader Joris Voorhoeve by Hans Goessens and Erik van Venetie: "'Social-liberal Cabinets Always Remain Possibilities'--With Small Steps Voorhoeve Wants to Command Respect for the VVD Again"; first paragraph is DE VOLKSKRANT introduction]

[Text] VVD Parliamentary Group Leader Joris Voorhoeve is still using his shiny sport bike, but sometimes he is also transported in a car with a chauffeur. One half of the "dualistic" VVD leadership is cautiously starting to seek publicity after half a year of silence. A discussion on (naturally) the De Korte affair, Lubbers, euthanasia and the left-liberal cooperation.

The Hague--The decoration of the workroom remains practically unchanged. The bust of Oud [founder of VVD] is still looking into the room from a small pedestal. A larger meeting table and a hefty bookcase, matching the classical interior, have been added. That suits Joris Voorhoeve (who turned 41 this week) better than it did his predecessor, Ed Nijpels, as VVD parliamentary group leader.

Where Nijpels had papered the wall behind his desk with original newspaper cartoons--of himself, naturally--Voorhoeve has surrounded himself with books. He left his chair in International Relations in Wageningen, but the professorial aspect will always remain. As a development economist and international relations scholar, Voorhoeve has that studiousness which makes him odd man out in the hurried and superficial existence at the Binnenhof [The Hague parliament building].

After Nijpels and his sensational actions, the VVD sought and found the peace of the study. Graciously, deliberately, and terribly cautiously Voorhoeve enters the news after 6 months of leadership. Three speeches in a row in the past few weeks, followed by a series of newspaper interviews.

The date of 26 June 1986 appears to be engraved in his memory. At 8:00 p.m., Joris Voorhoeve, as one of the 27 members of the chamber, arrived at the department of Transport and Public Works (the bulwark of VVD Minister Smit-Kroes) at the Plesmanweg in The Hague. He was the only one to arrive by bicycle, a shiny sport model, with his briefcase under the straps.

In the "night of Transport and Public Works", reputations were made and broken. De Korte was designated as candidate vice prime minister, Voorhoeve made a lightning political career, so that the deposed parliamentary group leader, Nijpels, could go to the "shelter" of a minister's post. After a meeting of 8 hours, which made it 4:00 a.m., he emerged as the new parliamentary chairman. He still rides his bicycle, but sometimes he is also transported in a car with a chauffeur.

Looking back at 6 months of parliamentary group leadership, he says: "At first I was simply a foreign expert of the parliamentary group. Suddenly I am put on the tracks of general politics. The past half year I have hardly done anything in my old specialty. As specialist I used to spend about two thirds of my time in my own field. Now 95 percent of my time goes to general internal politics and only 5 percent to foreign topics."

Fights

Voorhoeve didn't exactly fall into in a made bed. The fights in the party and parliamentary group about Nijpels' leadership had considerably affected mutual relations. He had to transform a fighting club into a homogeneous group of 27 members, including a number of former ministers.

Voorhoeve: "I landed in an unmade bed. Then I had to neatly make it again. It was time-consuming because I spoke at length with all the parliamentary group associates. But it was also very fascinating. After the internal conflicts, there was a general feeling in the group that a page had to be turned, that a new chapter should be started."

Voorhoeve did everything to prevent the start of renewed arguing in the parliamentary group. For example, he initiated evaluative meetings after important political events had taken place. During Nijpels' time, the group was only able to let off steam in the corridors when something had gone wrong. "I am very fond of feed-back, in order not to let any channels silt up."

Prof Dr Eng Joris J.C. Voorhoeve is meticulous in his appearance. He chooses his words carefully, expresses them graciously, and he is courteous. He tends to lecture, also in areas which are not his specialty. When he finds texts from party associates on his desk for his perusal, he always finds something to correct somewhere.

"He's a real professor, that Joris," parliamentary group members say to each other then. He is always polishing his own speeches up to the last moment. He often reflects on questions for almost half a minute, but his answers are not very surprising.

Small Steps

Last November in Weert, Voorhoeve decreed the "small steps" doctrine. The smallest coalition partner must command respect from the voter again through a cautious, but nevertheless recognizable role in the political decision-making process. "Political Acrobatics" are taboo from now on.

That approach suits the VVD's current phase, he says--the phase of recovery of normal relations, of peace-in-the-tent. "Publicity stunts often work in the reverse. Moreover, I don't like that. That is partly due to my nature," he says. "I think that that calm style of action is being accepted. At least, I have not yet heard any negative comments around me."

Exactly a week after the parliamentary group leader had rejected "acrobatics," vice prime minister and party associate Rudolf de Korte climbed high on the trapeze with his statements on Queen Beatrix' state visit to the Japanese Emperor Hirohito. Would it not have been better if Voorhoeve had made that statement himself? Surely he did not have to feel hampered by the fact that decision-making had not been completed yet in the cabinet?

[Voorhoeve] "I was aware that De Korte was going to read that text in Woudenberg, but I did not stop him." And, after a long silence: "Let me put it this way. I did not foresee that it would cause such problems for Rudolf de Korte." Silence again. "If I had foreseen that, I would have advised him to do it differently. That is obvious."

Two or three times he says he does not want to say much about the matter. "I have no desire to stir up the matter. I do want to say, however, that it could have turned out very differently if the cabinet had put the decision on a Japanese visit earlier on the agenda. Then the VVD would have been able to point to the problems earlier."

"Signaling Function"

Despite the fact that the matter took an undesirable turn for the VVD (a day after the Woudenberg appearance of De Korte, Lubbers gave his vice prime minister an unusually sharp reprimand in the Second Chamber), the goal was achieved. Voorhoeve: "It had a signaling function. The VVD has achieved substantially what it wanted. The visit is not taking place. First the PvdA got behind us, and later the entire cabinet."

"The dark side is that the prime minister came down on De Korte very strongly in the Second Chamber. That was not necessary. Fortunately it did not lead to permanent repercussions for the relation between the prime minister and vice prime minister. That relation is all right again. As far as I'm concerned, let bygones be bygones."

In the De Korte affair, the leadership of the VVD plays a big role. According to a typical Binnenhof conspiracy theory, Voorhoeve consciously did not keep his vice prime minister from making his Hirohito statements. The VVD parliamentary group leader dismisses that as "wicked nonsense." But it is certain that De Korte has been hurt by the row over the state visit and that he should keep silent for a while. Because of that, Voorhoeve obviously can draw more attention to himself. Ultimately, at the next Chamber elections, the VVD has to make a choice for the primary candidate: Voorhoeve or De Korte.

Simple

In the formal VVD story the leadership is currently wavering between the two gentlemen. Voorhoeve introduced the term "duolism" and compared the party leadership to a tandem. But the party is getting tired of that ambiguity and wants to know who is steering the tandem and who is sitting on the back seat. Voorhoeve refuses, however, to provide clarity. According to him everything--in view of the Dutch regime--is very simple.

"In our constitutional law the concept of political leadership doesn't even exist. De Korte and I have other responsibilities. He pulls the chestnuts out of the cabinet's fire for the liberals. I lead the parliamentary group. That results in a natural division of tasks. How can a parliamentary group possibly be led by a vice prime minister and, vice versa, the VVD ministers' crew by a parliamentary group chairman? The competences are fluid, depending on the subject and the process whereby it takes place. Coordinated duolism, that is really the best description."

The VVD is involved with three other large parties whose leadership is not at issue. The CDA has Lubbers, the PvdA has Kok and D'66 has Van Mierlo. The VVD campaign leadership had its leader-duo make three joint appearances in the country last month. Voorhoeve made a good impression on the following, De Korte scored moderately. In the coming Provincial States election campaign they will go on the road separately, which is a matter of efficiency and division of tasks, according to Voorhoeve.

He does admit, however, that his role is gradually becoming more pronounced, and he describes the limitations which the vice prime minister encounters. "In our regime, it is interesting that the position of prime minister has developed. Certainly in the case of Lubbers. Shortly before the elections it was clear that he effortlessly combined the role of prime minister with that of CDA leader. A vice prime minister is not only the acting prime minister, but for 85 percent he is merely a professional minister whose time is taken up by his department. Lubbers, however, has an entire department at his service, with 360 officials to keep an eye on all policy areas.

"That matter of the state visit is temporarily annoying for De Korte. I take the view, however, that he will be excellent as vice prime minister. It is not up to me to determine who will become the new primary candidate in the future; that is decided by the party. And that will take a while, for I believe that this cabinet will remain for a long time."

Weakened

After the elections of 21 May, the VVD returned weakened to the Chamber and Cabinet. Of the 36 chamber seats 9 were lost, and the number of ministers' seats decreased from 6 to 5. The Provincial States elections of March must clarify whether the party will at least be able to preserve itself at its current level, or whether it will be further swallowed up by the CDA coalition partner. The indications are not favorable; in spite of Voorhoeve's attempts, the party is still lacking a clear profile.

Also the cabinet policy has few points with which the VVD can project itself. During the Lubbers-I cabinet, the CDA gradually appropriated the VVD doctrine that economic recovery is only possible through drastic retrenchments by the government. Primarily CDA ministers were, and are, the ones who took, and take, strong retrenchments and unsympathetic measures as their responsibility. All that was done under the strict orchestration of CDA phenomenon Lubbers.

The VVD wanted a decrease in taxes and social premiums and made an issue of that in the elections. But now that Lubbers-II has been going for 5 months, even the consolidation of the tax and premium burden, promised in the government accord, is in danger. A "temporary" increase in the gasoline excise tax and BTW [value-added tax] has already been put through for 1987. And the latest CPB [Central Planning Bureau] estimates predict an increase of about 0.3 percent over the entire cabinet period.

Voorhoeve realizes that caution is called for on this point also. "We must avoid promising anything that we cannot deliver. No more pleasant promises before the Provincial States elections. The end of next year is the time to see if taxes and premiums can be decreased a little. And as far as I am concerned, that is possible only if economic growth continues strongly and if oil prices pull up again.

"Indeed, I am not in favor of additional retrenchments to do something about the tax burden. The OPEC countries now agree to bring the oil price to \$18 per barrel. No one knows if that will succeed. If that happens, our financial picture will also improve again through the natural gas income. But, in all honesty, the reverse might also take place. If the oil price stays at the current level, this cabinet will be short 5 billion guilders at the end of the journey."

More Slowly

"Our most important argument in favor of lightening the fiscal burden is employment opportunity. For the same amount in wage costs, more people are put to work elsewhere in Western Europe, the United States and Japan. In the Netherlands the creation of new work opportunity during economic recovery takes place much more slowly. Because of that high fiscal pressure, a company has to come up with two guilders for every guilder in net income an employee receives.

That calculation is a standard component of the presentations Voorhoeve makes inside and outside of the Chamber. It is a solid, but also well-known VVD account, which therefore received little publicity. In the preliminaries to the Provincial States elections the VVD depends on CDA failings, but there is not much chance of that. And, as De Korte now also knows, one has to be careful with that. And it is not Voorhoeve's style to rattle the chains of the coalition, as Nijpels used to do to the point of tediousness.

That is also obvious from his approach to an almost classical controversy between CDA and VVD, the euthanasia question. During the cabinet formation, the liberals and christian democrats committed themselves not to cause a crisis over euthanasia during the coming cabinet period. And now that the

Council of State has voiced strong criticism of the bill initiated by D'66 and supported by VVD circles, only a compromise is left for the liberals in that respect. It is still completely unclear just how liberalized that legislation will be.

Allegations

Voorhoeve appears to be very conscious of that reality. And thus he limited himself to a public plea in favor of a few minor amendments which will probably be proposed by the cabinet also. In Weert he fiercely defended himself against allegations that the VVD approach to euthanasia could lead to vicious practices such as those applied during the Third Reich.

Voorhoeve: "Politicians sometimes are accused of being careless. In this case, however, primarily the stories of non-politicians are the ones which create great commotion. In particular, the relation Mrs. Dessaur makes with practices in Nazi Germany I find malicious. At present it is a case of voluntary euthanasia, or rather, a merciful death at one's own request for those who suffer unbearably and without hope.

"The advise of the Council of State, which saw nothing in the D'66 proposal or the experiment of the first Lubbers Cabinet, has brought the discussion a step further. It is now the cabinet's move; I expect the outcome of that discussion by the middle of January. Then we'll probably start talking about euthanasia again in the parliamentary group at the end of January."

Linking

Many Binnenhof strategists, also in the VVD, see precisely in immaterial subjects such as euthanasia an opportunity for the VVD to project itself and to establish a link with another large party in the Chamber--the PvdA. After all, views on the socioeconomic policy and on peace and security in both camps are said not to be as divergent any longer as in the past.

Voorhoeve is reticent. "Such a VVD-PvdA collaboration can only be taken into consideration after this cabinet period. CDA and VVD are closer now, at the program level. A number of PvdA members--such as Kombrink, De Kam and Kalma--are critical of the role of the state and the affordability of much government. A former liberal theme: The government which knows its limitations.

"When that development in the PvdA isn't limited to discussion only, but is also translated into a program and action by the parliamentary group, then the matter changes. But so far I still see the PvdA striving toward expansion of the state's influence. For us it is a matter of the relationship between the collective and private sectors--of balancing that more evenly, also for the years after 1990.

"From an ideologic standpoint, social-liberal cabinets are always a possibility of course. In the Federal Republic of Germany the liberal FDP also worked together with the social democrats for many years. And with respect to program, there is very little difference between the programs of

the VVD and FDP. And, more in the psychological sphere, social democrats and liberals are often similar types of people who are able to rapidly arrive at businesslike agreements. Just see how our fiscal specialists repeatedly manage to find each other."

[Question] Isn't Voorhoeve--as foreign expert an armored Atlanticist and, to some, a hawk--actually an obstacle to rapprochement with the PvdA?

[Voorhoeve] "I am indeed a confirmed Atlanticist. But that's exactly why I find what is now happening in the White House bad for the alliance. The leadership of the United States in the NATO is at stake, the political and moral justification of that is called into question after the secret arms supplies to Iran.

"In general that moral leadership is in better hands with Democratic presidents than with Republican ones. The credibility of President Reagan has been tarnished. That also applies to the arms supplies to the contras in Central America. The Sandinistas in Nicaragua have not yet kept their promises, but that support of Reagan to the contras doesn't contribute either to a democratic development in that country."

He has taken a position; that small step has also been taken. In concert with foreign specialists of the PvdA, D'66 and CDA, Voorhoeve also pleads in favor of an individual West European identity in the alliance. He does not want to commit himself to a fixed percentage by which the expenditures for the armed forces should annually increase after 1990 (currently 2 percent).

"That is a matter of the party when they determine the new program. If the threat by the Warsaw Pact is not as serious then as it is now, one would think it could be less. But I see no way to decrease the expenditures for development cooperation. I don't see any revival there. For the time being I'm not committing myself to an increase in defense expenditures. I continue to hope for arms control."

8700

CSO: 3614/30

IKV CHAIRMAN ON RELATIONS WITH EAST EUROPE

Amsterdam DE VOLKSKRANT in Dutch 30 Dec 86 p 13

[Article by IKV (Interchurch Peace Council) Chairman Ien van den Heuvel in 'Open Forum' column: "IKV Talks with Official Entities and Dissidents"; first paragraph is DE VOLKSKRANT introduction]

[Text] After the economic boom of the past years, after the struggle against cruise missiles, in which everyone was exactly able to tell, without hesitation, what he/she thought about the Interchurch Peace Council IKV, some confusion now seems to have arisen with respect to the course laid out. It is easy to blame exclusively the media for that situation, thinks IKV Chairman Ien van den Heuvel. If there is confusion, it must also have some relation to the manner in which the IKV has presented its policy. An attempt at clarity.

The campaign "Eliminate nuclear arms from the world, starting with the Netherlands," which resulted in the big anti-cruise missile demonstrations, certainly did not make everyone appreciate the IKV. Not only in political circles, where for many years a small group had been able to set the peace-and security policy, were the church campaigns considered a nuisance, but resentment also arose within the churches. That resentment is not only to be blamed on church members who did not agree with the campaigns. People who arrived at a certain viewpoint from an honest conviction do not necessarily always stand out by their flexibility and tolerance with respect to those who think otherwise. Thus in those years there certainly must have been people in the IKV as well who did not act extremely tactfully.

On the other hand, there was fear among the church people about suddenly having to make concrete political choices, instead of generally worded standpoints on the necessity of a policy based on peace and detente. Then it became clear that various views existed within the churches as to the policy which was to guide politics.

Let's avoid any misunderstanding: The current chairman also stands fully behind the choice which was made. Christians should not, for fear of internal troubles, give up when decisive choices must be made in politics. And, while respecting anyone who arrives at a different standpoint, if ever there were an opportunity to make it clear that the time had come to finally break with that disastrous arms race, it was during the deployment decision.

It was a public secret, however, that not everything within the churches was harmonious. Hence, when the IKV made the decision last March to work more on the so-called policy of detente, it was an obvious conclusion that all of that had something to do with the tension which had arisen in congregations and parishes. According to that conclusion, the IKV was going to be less involved with politics and more with the much less dangerous East-West contacts. It was an incorrect conclusion, but not an illogical one. Meanwhile the IKV continued to influence politics (discussions with political parties, letters, notes), but that was partly unnoticed by the public.

Nor did everything go smoothly with the drawing up of the policy of detente. The campaign council had the strong impression that what had been decided upon earlier had not been adequately surveyed. That other IKV, which was commented on in the media, in any event was decidedly not what had been intended. On top of all that came the discussion on the dual track policy which would be pursued along with detente; there would be contacts with the official entities on the one hand, and with the independent peace movement (read "dissidents" in many East European countries) on the other hand. Naturally the churches in those countries would be the most appropriate discussion partners.

In the campaign council of 14 December a memorandum was submitted in the framework of the policy of detente, drawn up by peace activists together with dissident groups, for the supplementary Conference for Security and Cooperation in Europe, entitled: "Breathing New Life into the Helsinki Accords." A number of "key points" which the executive committee had based on that were also submitted. Criticism ensued, mainly with respect to the procedure which was followed. They didn't want to make a decision so rapidly because there hadn't been enough time to discuss certain things in depth. Moreover, time was needed to develop better support for the decisions.

Other Voice

There was also another voice. Jan van Putten, likewise a former chairman, thought it was unwise for the IKV to commit itself so obviously to the memorandum. His fear was that contacts at the government level would be hampered by the dissident relations.

Again: No misunderstanding. The current chairman (and there is every reason to assume that the majority of the IKV shares that opinion) very emphatically opts for the dual track position. We cannot accept that we are prohibited from contacts with dissidents at the penalty of disturbed relations with official entities. People who stuck their necks out in East Europe for what they consider an essential component of the peace policy, that is to say the respect of human rights, at least have a right to our extended hand. We know very well that we don't make things easy for ourselves with that.

Tension between those two tracks will certainly occur some time. But we'll just have to put up with that. Our point of departure thus remains that we only link in the positive sense, that is to say we don't go along with the suddenly popular fad to make progress on one point a condition for another

one. In other words, these things belong together, but must not block each other.

Within church circles which were already involved with East-West contacts, there is some suspicion with respect to the IKV. They wonder whether those carefully developed contacts will be able to withstand the IKV's announcing itself with flying banners and beating drums. As the IKV we must be aware of that concern, and we will certainly not behave like a bull in a china shop. If we, as church members, were unsuccessful in coming to mutual agreement on that, then that struggle for peace really wouldn't mean much.

And all of us in the churches want peace . . .

8700

CSO: 3614/30

ISSUES FACING 1987 PARTY CONGRESSES SUMMARIZED

Oslo AFTENPOSTEN in Norwegian 17 Jan 87 p 3

[Text] The governing party will come together for their national meeting in Folkets Hus in Oslo 26-29 March. Prime Minister Gro Harlem Brundtland will begin with a discussion of the political situation. Thorbjorn Jagland, who will be formally elected as the new party secretary, will discuss how the Labor Party is to get more voters and the plan for the fall local elections. The party's hundredth anniversary will be celebrated Saturday 28 March.

The national meeting will probably indicate how far the Labor Party will go to retain government power. A repeat of the freedom debate in connection with local political questions and the public sector is expected, among other things, kindergartens and education. The party program will not be discussed, but will be adjusted. There can be a debate on the working conditions of the politicians and on social security.

Gro Harlem Brundtland and Einar Forde are seeking reelection as leader and deputy leader.

"How are we to return to a governing position together with the Christian People's Party and the Center Party?" This will be the main question at the Conservative Party's national meeting in Tromso, where the party's second vice-chairman, Erlend Rian, is the spokesman.

Neither he nor others in the party leadership are up for election this year. The demand for a clearer conservative stamp will probably also be made.

Regional politics will be a central issue in Tromso. Also health and social policy and work on a unified educational policy.

The Conservative Party is considering using more modern forms of presentation during the national meeting. This means, for example, that Rolf Presthus will stress well-selected words in the chairman's speech with video equipment. But the main organization will not say anything more at the moment.

From 23-25 April it is the Christian People's Party's turn in Kristiansand. After the fire in the Caledonien Hotel, it will be held in the free church.

A manifesto on a children's policy will probably be made. Health and social policy is proposed as a special theme for a lecture. The situation of the elderly will be dealt with particularly. The party will find ways to present itself in the election campaign. At the same time, the Christian People's Party must consider the evaluation of its individuality in relation to the party's credibility as a part of the nonsocialist government alternative.

The party chairman, Kjell Magne Bondevik, will be reelected, but after a debate on equality, he will probably receive the title of leader. The deputy chairmen, Anne-Olaug Ingeborgrud and John Tveit, will give up their jobs. Tveit may be persuaded to continue. In the central committee, only one of five (Jon Lilletun) doubts whether he will continue.

The Center Party will be the first to meet. It will have its national meeting in Alesund 13-15 March. The party's many spokesmen look forward to an election campaign in opposition. Therefore the Center Party national meeting is important for the question of government.

Regional policy will, as usual, be a main issue at the national meeting. The party has its own committee working on the problem. The committee will present its report to the national meeting. City policy will also come up, among other things, on the background of the report from the party's city policy committee, which is almost ready. In the wake of the Mesnalien affair the relationship between private and public health care will be discussed. Besides this, radio advertisements will be an important issue.

Johan J. Jakobsen will be reelected as party leader, while Johan Buttedahl will step down as number one deputy. He will be replaced by Anne Enger Lahnstein. Who will replace her as number two deputy is not clear.

From 2-5 April the Socialist Left Party will take lots of time to discuss its new program of principles. The Socialist Left national meeting in Folkets Hus in Oslo will also take a position on the proposal for a drastic cutback in the number of members in the Central Committee (from 21 to 12 with substitutes) and with this more frequent meetings to increase effectiveness.

Housing, interest rates, and banks are catchwords for themes that will occupy the national meeting. The same applies to community peace policy: nuclear weapons free harbors and boycott of South African goods. Refugee policy and policy toward women will also be central themes.

Theo Koritzinsky will step down as leader. The whole intrigue about a new party head is unclear. In spite of many foreign guests, the Socialist Left Party will be in danger of having a national meeting that shows a party in "the valley of the shadows" as a loyal supporter of the Labor Party government.

In the Ibsen House in Skien 24-26 April the Progressive Party will use most of its time for the debate on a new local election program 1987-91. Alongside the general political debate, the national meeting will also select three local political issues the party will concentrate on in the election campaign.

Present catchwords are local taxes and fees, ownership rights, efficiency, and reduction of bureaucracy.

The party chairman, Carl I. Hagen, is not up for election next year, but the vice-chairmen will both be up. Both Anne Beth Moslet and Hroar Hansen have shown interest in continuing. The same goes for most members of the central committee.

The Progressive Party's national meeting will have the stamp of an effort to reap rewards from the problems of the three larger nonsocialist parties by reaching an agreement on an alternative to the present government.

9124

CSO: 3639/11

POLL: PRESTHUS REMAINS PARTY LEADER FAVORED AS PRIME MINISTER

Oslo ARBEIDERBLADET in Norwegian 2 Jan 87 p 6

[Article by Egil Knudsen: "Presthus Most Popular"]

[Text] This is shown by a study that Opinion, Inc., undertook for ARBEIDERBLADET. The poll was taken during the period 9-12 December, and 1,004 persons over the whole country were asked by telephone.

In September 41.4 percent wanted Presthus, while 34.0 percent wanted Harlem Brundtland. The sitting prime minister is therefore clearly increasing the most, and this reduces the "don't know" group from 12 percent in September to eight percent now. In both measurements, moreover, a good 11 percent answered that they did not want either of the two main candidates as prime minister.

Movement in the Center

The voters' prime minister preferences follow naturally enough in the main their political connections. There is nevertheless reason to note that both candidates have strengthened their positions by a good ten percent among the center voters, from 15 to 25 percent for Harlem Brundtland and from 45 to 56 percent for Presthus, in comparison with September.

In the group that votes socialist, 82.3 percent want Gro, against 80.4 percent before. In the conservative voter group, Presthus has gone down from 89.1 percent to 86.2 percent. This is clearly below the level Willoch was on in the same group when the former prime minister entered into this type of measurement from 1981 to April 1985.

Age Variation

The sitting prime minister has increased her support in the age group of under 30 since September. She now has 40.9 percent support in this group, almost exactly the same as Presthus, who has 41.4 percent. In the previous poll the difference was almost seven percent in Presthus' favor.

The over 60 group is the only one with Gro leadership, 40.4 percent to 38.4 percent for Presthus. On the other hand, the Conservative Party chairman has his most solid support in the group between 30 and 60, in which with his 45.9

percent he is 10.4 percent ahead of Gro.

Rolf Presthus has the greater support in most areas of the country. Only in Trondelag and northern Norway does Gro lead, but on the other hand this is a lead of almost 13 percent.

9124

CSO: 3639/11

POLL EXAMINING TREND FOR 1986 SECOND HALF FINDS LABOR DECLINE

Oslo AFTENPOSTEN in Norwegian 17 Jan 87 p 8

[Text] The Labor Party lost voters throughout the country in the second half of 1986. The Conservative Party advanced, but not as much as the Labor Party retreated. The governing party's decline in support varies from almost unchanged in Buskerud to a decline of seven percent in Oslo. In Akershus the Labor Party lost two percent. In many counties there was a strengthened tendency for the Labor Party and the Conservative Party both to advance at the cost of the smaller parties. This is shown in the county barometer done by the Market and Media Institute for the past half year.

South Trondelag

In South Trondelag the Labor Party lost most heavily and the Conservative Party advanced the most. The Labor Party loss in South Trondelag was all the way up to 3.9 percent, but the perspective for the Center Party is at least just as serious, for it declined 1.9 percent in one of its traditionally strongest counties. This is also the reason why the four nonsocialist parties' total advance was only 2.2 percent.

North Trondelag

In North Trondelag as well the Labor Party declined strongly, from 39.6 percent to 46.3 percent. The Center Party advanced -- the party's support of 18.2 percent makes it the county's second largest, 1.1 percent ahead of the Conservative Party. But of course the Center Party chairman, Johan J. Jakobsen, comes from North Trondelag.

Nordland

In spite of a clear advance for the Conservative Party, which went from 23.6 percent in the first half of 1986 to 26.4 in the second half, the Labor Party's decline was not more than a half a percentage point, 46.8 to 47.3. On the other hand, the decline is clear for the Socialist Left Party in Hanna Kvanmos' own county, from 12.0 to 11.2.

The Center Party also had a weak advance in Nordland, while the Christian People's Party declined sharply, from 6.3 to 4.7 percent.

Finnmark

Strong advance for the Conservative Party, from 19.7 to 22.9 percent in the "red" Finnmark county. There the Labor Party has the clear position of the sovereignly largest party, even if the party declined from 58.5 percent in the year's first six months to 57.6 in the second six. Decline also here for the Christian People's Party from 4.9 to 3.5 percent, while the Center Party held steady.

The situation is generally unchanged for the Labor Party in Buskerud, while the Conservative Party seems to have problems holding voters. The Labor Party got 46.2 percent. The Conservative Party's 30.4 percent in the last six months is, for example, clearly lower than in the last two Storting elections. The Christian People's Party has the greatest reason for satisfaction. It's 5.6 percent lies clearly above the last two national elections. The Socialist Left and the Progressive Party also gained in Buskerud.

Telemark

The Labor Party had a slight setback, but the nonsocialist parties in Telemark will have great problems in winning back the majority in the fall Fylkesting elections. In comparison with the last Storting elections, on the other hand, all the three former governing parties can show a small gain. The Conservative Party advanced from 24.9 to 25.7 percent. The Labor Party fell to 49 percent from 50.5.

The Conservative Party in Oslo clearly has greater voter support than does the Labor Party. According to the polls, the Conservative Party has a support of 45.8 percent and the Labor Party 31.3 percent, a decline of seven percent. If the poll had been an election, the Conservative and the Progressive parties alone would have had the majority, and the Christian People's Party would have lost its decisive position.

Akershus

In Akershus the Labor Party declined by almost two percentage points, from 35.3 to 33.4 percent. The Conservative Party advanced by 2.4 percent to reach 45.4 percent. This means that the Conservative Party has 12 percent more support than does the Labor Party. The Christian People's Party and the Center Party shrank in the last half year by 2.8 and 4.1 percent respectively.

There are small changes in the two large parties in Vestfold. The Labor Party declined from 37 percent in the first half of last year to 36.4 percent. The county's largest party, the Conservative Party, stayed just under 40 percent all last year. The Christian People's Party advanced to 6.8 percent, while the Center Party and the Socialist Left Party are the same size with 4.7 percent.

The Labor Party declined both in Sogn and Fjordane and in More and Romsdal. The poll shows a decline in Sogn and Fjordane for the party of 2.7 percent, and in More and Romsdal as much as four percent. The Conservative Party advanced in More and Romsdal and declined slightly in Sogn and Fjordane.

The greatest progress in this period was made by the Christian People's Party, which advanced in both counties and is on a level with the Storting elections. The Socialist Left and the Progressive Party also advanced in the counties.

The voters seem to have gone from the Labor Party to the Socialist Left and the Conservative Party, while the party also has an increase from the Socialist Left and from new voters. The Conservative Party also is gaining from the new groups as well as from the Progressive Party. On the other hand, the party is taking little from the Christian People's Party and from the Labor Party. The Conservative Party is giving up something to both of these, but less than it is taking.

The Christian People's Party is taking most from the Center Party. But the party is also losing a little to the Conservative Party, the Labor Party, and the Socialist Left, which for its part is making inroads into the Liberal Party.

The Progressive Party is giving off to the Conservative Party and the Labor Party. But the polls show that most of the Party's voters are in doubt about whom they would have voted for if it had been a Storting election.

The Center Party received its growth in Sogn and Fjordane from the new voters.

9124

CSO: 3639/11

EDITORIAL CRITICIZES STATE PLANNING ORGANIZATION

Istanbul DUNYA in Turkish 17 Nov 86 p 1

[Editorial: "Speaking About Incentives"]

[Text] When examining the roots of problematic developments in the economy, one must take into account "fundamental" factors which may appear to be "unrelated to the issue" but which cause such developments in the long run. One such factor is the mentality which rejects the need for "planning" in the economy and which moreover has turned the organization for economic planning into the source of an "irrational" incentive policy.

The latest development which has assumed "phenomenal" proportions in recent days is the "debt crisis." The problem began in the textile sector and spread to other sectors. The textile sector has been the "darling" of the economy for many years and is considered the "driving engine" of industrialization and the "favorite son" of the export mobilization campaign set in motion by the "liberalism of 1980." "Forceful" battles, which have not been ventured for any other sector, have been fought for the textile sector in foreign markets and platforms, particularly in the EEC.

What relation is there between the reality of this situation and the "rejection of economic planning" and "irrational" incentive distribution?

The "rejection of economic planning" is undoubtedly one of the principal factors which produced the "distortion" prevailing in the entire Turkish economy today. The "flawed" foundations of the concept of economic planning from the very outset played a major role in its rapid "erosion." Because of this flawed approach, economic planning was turned into a practice of handing out resources and privileges on an "arbitrary basis."

While this unscientific mentality has contributed to the fostering of the "vital" importance attributed to the textile sector, the role of the irrational incentive implementations fostered by the same mentality must not be ignored in the concrete situation experienced today. For example, the following question remains unanswered: Why has the State Planning Organization [SPO] supported the textile sector so vigorously that it has virtually pushed the other sectors backward?

The textile sector has almost always received the biggest share of government incentives. In 1982, 428 investments in the manufacturing sector were eligible for incentives; 84 of those were in the textile sector. During the said year, the textile sector received 40 billion Turkish lira in incentives, nearly a fifth of the total incentive package of 210 billion Turkish lira. In 1983, 385 incentive documents were awarded in the manufacturing sector; 83 were for the textile sector. That year, the textile industry was ranked first with 60 billion Turkish lira in incentives out of a total of 270 billion Turkish lira.

In 1984, 147 of the 543 projects selected for incentives by the SPO were in the textile sector. A total of 558 billion Turkish lira was paid out in incentives; 225 billion Turkish lira of that was for the textile sector. In 1985, 956 projects received incentive funds; 301 were in the textile sector. Out of a total of 918.5 billion Turkish lira in incentives, 290 billion Turkish lira was paid out to the textile sector. The situation has not changed in 1986.

The issue that needs to be emphasized is that these figures represent investments of different nature. They do not reflect other advantages offered for the purpose of increasing exports.

Is there no control over the spending of the billions of Turkish lira in public funds provided to a sector which has been inflated and supported so "superficially"?

Apart from overseeing the expenditure of these funds, does the SPO feel the need to examine compatibilities with the economy's macro realities at the sector and company level in distributing incentives to projects?

Even more importantly, does the SPO have a firm strategy about the general development of Turkey's economy? What strategic standards does it use in its sectoral preferences?

An economic administration which cannot offer clear and concrete answers to these and other similar questions must think before it passes the buck to someone else when faced with the prospect of crisis.

9588

CSO: 3554/121

PRODI OPPOSES CONTROL OF MEDIOBANCA BY PRIVATE SECTOR

Privatization Proposal Outlined

Rome L'UNITA in Italian 12 Dec 86 p 3

[Article by Dario Venegoni]

[Text] The private sector wants to take over Mediobanca, the biggest and most prestigious commercial bank in Italy. Over the last few days they have put together a proposal and yesterday the president of IRI, Leopoldo Pirelli, explained it to Parliament. It is certainly a most disconcerting proposal, but that was precisely what they were expected to do. It comes from a group of shareholders rallying around Pirelli, who right now hold about 6 percent of the Milanese institute's capital. The three public banks that hold a majority of its shares (58 percent), were gathered around a conference table, and they sent a message to IRI asking for opinions and directives.

That is how Romano Prodi summed it all up yesterday to members of the Chamber of Deputies' Budget Committee. The private banks are asking that shares held by IRI banks be reduced from 58 percent to 49 percent. Pirelli, the French banking firm of Lazard, and the German Berliner Bank, which are already small shareholders, would join forces with Fidis (Fiat), Assicurazioni Generali, Fondiaria, and Ras: in so doing they would constitute a major private source of private lending capital, bound by a pact with the labor unions, and pledging to acquire 6 percent of the capital shares now publicly held (the remaining 1 percent would be traded on the open market. At this point the private sector (12 percent) and the public sector (49 percent) would reach agreement on one aspect of the controlling group at Mediobanca which calls for: a president, to be chosen by IRI (and it has already been agreed that the president should be Antonio Maccanico, currently secretary-general at the Quirinale), a vice president selected by the private sector, a managing director who would have to be confirmed, in the person of the incumbent, Silvio Salteri, and twelve additional administrative advisers, seven of them to be picked from public banks and five from private shareholders.

The numbers alone are enough to portend the imbalance that would affect the management bodies, to the obvious detriment of public capital. There is, however, something else. Also sought is confirmation of the rule already in force, according to which every decision must be taken with a majority of two thirds. A little quick arithmetic lets one understand immediately that the public

banks could never hope to win the 10 votes out of 15 required for a decision. Pirelli and company claim, to put it bluntly, a veto right: either they give their consent, or the public-sector shareholders, who hold four times their capital, will be unable to lift a finger.

That is the theory. Last year, Prodi made a commitment to subject every decision as to a potential reduction of public holdings of less than 50 percent to a prior ruling by Parliament. Between private and public banks, in the fall of 1985 and after a bloody clash over an initial proposal to privatize capital advanced at the time by Enrico Cuccia, agreement was reached on postponing all decisions until the end of the current year. Now the time has come, the request has been formalized, and the political powers that be must come forward with their views. As for IRI's president, his opinion (shared the cabinet committee on the institution that met yesterday), was that no such operation should be undertaken. Prodi voiced his "profound perplexity" to the deputies. It is not so much the question of holding or not holding 51 percent of the shares that worries him. Prodi said that he was all too keenly aware that both Mediobanca's prestige and its practical chances of taking effective action are at stake. He argues, however, that, even should they drop to 49 percent, the public banks would retain an unassailable right to maintain "positions of security with regard to control of the institution," whereas the direct claim to a veto right would endow the private sector with powers disproportionate to their actual shareholder strength, even were that strength to be doubled from its present level.

There is yet another delicate and critical point, on which IRI's CEO has voiced his flat dissent. The private shareholders would like to see the current general manager, Salteri, stay on the job. In other words, they want to keep that chair open, for efficient management of the institution, a man who is the "long hand" of the aging board member Enrico Cuccia, who was for years the unchallenged head of the bank, formerly the voice of public capital, but who has lately embraced the interests of the private shareholders. Why in the world, Prodi wonders, while we are in the process of renegotiating the entire position of Mediobanca, should we not be talking and thinking as well about that essential job as well?

In other words, IRI wants no part of it, or at least would hate to see it happen. And yesterday Prodi, to all intents and purposes, went scouting in Parliament for support in his position. Just who in the world, ostensibly representing the general interests, could take such a proposition seriously? The fact is that a lot of people out there are avidly eager to get their hands on Mediobanca, among them some of the most powerful Italian industrial and financial corporations, beginning with FIAT. And of course they want to get it at cost, by buying a 6-percent share (what will the price

be later? At current market value it should fetch about 250 billion, but who is to decide how much a package of shares essential in determining who gets or loses a majority?) and claiming that that is the equivalent of 49%. Mediobanca is a powerful institution that can count on some 7 trillion lire in profits per year, (to which, be it noted, the public banks contribute), and its safes contain holdings of shares crucial to the equilibrium of Italian capitalism: Pirelli, Generali, and others.

It can therefore come as no surprise that the pressure on the parties for consummation of this incredible marriage are very strong indeed, or that they find more than one sympathetic ear among party representatives. Decidedly favorable to the cause are the Republicans, while the Liberals are barely lukewarm. The Socialists are of two minds: last year they were among the warmest sponsors of the Cuccia proposal. The Christian Democrats still seem to be undecided, but word has it that the party secretary is pretty strongly opposed to it. Their minister, Darida, has said he shares Prodi's position. On the opposition side are the Left Independents and the Communists, in whose name Peggio yesterday called the proposal outlined by Prodi "very serious and totally unacceptable." This is an operation that must be halted, said Peggio: we cannot accept the argument that the right to issue new shares and thereby to increase the numbers of shareholders in the bank should be confined solely to companies that own great industrial corporations.

The Chamber will let its views be known, perhaps as early as next week. All that is clear as of this moment is that a bitter fight has begun, and that its results, as of now, are unpredictable.

Insurance Company's Role Noted

Rome L'UNITA in Italian 12 Dec 86 p 3

[Article by Dario Venegoni]

[Text] Mediobanca controls 5 percent of the shares in Italy's biggest chain of insurance companies: this seems to be what the privately owned companies are really trying to get at.

Milan—Nobody is likely to say so out loud, but it is no secret that, in anticipation of a private-sector takeover of Mediobanca, what stands out is the majestic and awesome profile of Assicurazioni Generali. Not that the race for control of the biggest chain of insurance companies in Italy has officially begun: what is certain is that in a little while—make that a year from now—all the big companies and conglomerates will be looking that way, and that their strategy will be to encircle their targets and then close in.

The target is still too big a mouthful for any single outfit. Despite the lush financial growth of the big groups, it is still too early for any of them to be prepared to budget for an investment of such proportions. And yet the determination to do just that is there, and more than one of the protagonists in Italian industrial and financial circles would not be daunted at the prospect of staking their own empires if it meant capturing such a prize.

At current market rates, the Generals' capital holdings amount to more than 21,750 billion lire—the equivalent, say—of FIAT's yearly earnings from sales of automobiles, industrial vehicles, and farm machinery combined. These are mind-boggling figures. They shrink to less intimidating size, though, when you realize that to maintain control of the corporation, precisely because of its vast dimensions, you need far less than an absolute majority. Twenty percent will suffice, and you might well be able to swing it with 15 percent.

Here again, at today's prices, you would need more than 3 trillion. Note, however, that nobody is in a position to spend that much these days. And yet, when you look at an outfit like Gardini's, that managed to come up with over a trillion lire in a single month to get control of Montedison, and that Montedison itself spent something pretty close to a trillion to take over Fondaria, you realize that the order of magnitude of investment opportunities in Italy is fast approaching that perilous goal.

That brings us back to the Mediobanca question and to the heated dispute about the concept of privatization. The Milanese institution is the essential passkey to control of the "Generals." It holds a relative majority among the Trieste giant's shareholders, with 5.14 percent of the shares. Next on the list of shareholders (at least those on the list provided at the last shareholders' meeting in late June), is Uralux (Owned by Lazard Freres), with 4.75 percent, the Bank of Italy, with 4.46 percent, COMIT, with 2.81 percent, Fonditalia with 2.43 percent, and then Fondaria, BNI, IMI Funds, the Italian Industrial Company, and Credito Italiano, with about 1 percent.

Some of the bigger shareholders (nobody has yet named any names) there is a syndication arrangement, which presumably will affect only 15 percent of the shares; this is still the one goal to reach for anybody hoping or planning to seize control of the company. It is obvious that taking over, or merely neutralizing Mediobanca's market share would, at a stroke, put you halfway home.

As of now, only two outfits can reasonably aspire to do that. On one side stands FIAT, which has every right to look at the Generals as belonging by right to its sphere of influence. FIAT is

in fact solidly allied with Mediobanca (Gianni Agnelli personally attends all its board meetings), and can count in Eurolux and even in COMIT itself, on loyal comrades at arms. While it would be inaccurate to say that FIAT today controls the Generals, one can confidently say that Agnelli has excellent reasons for believing that the company is pursuing what could certainly not be styled a hostile position, if not a downright favorable one.

That, of course, will hold only so long as Mediobanca remains in the hands of the trusty Cuccia. Tomorrow? Nobody knows. Comes now a plan from Pirelli (perhaps Agnelli's most reliable ally), who sees a chance for a "cheap" move toward privatization, one that would, however, assure control of Mediobanca by FIAT's men and their friends.

This would be tantamount to a one-way privatization, and the top people at IRI were quite right to oppose it... But the real issue remains. The Generals, with their awesome holdings in real estate and shares, plus their incalculable potential for expansion over time in privatizing insurance, are the dream that dare not speak its name. Nobody has said so officially, but the "super-market" is doomed. The contenders have begun to move, and move decisively.

6182

CS0: 3528/52

ALGERIA HALTS PAYMENTS TO EXPORTERS

Istanbul DUNYA in Turkish 17 Nov 86 p 1, 11

[Ayfer Karatas report]

[Text] Algeria has halted its payments to Turkish exporters. At a time when the Iranian and Iraqi markets in the Middle East are on the verge of being totally closed to Turkish exporters, the Algerian market in North Africa is also experiencing troubled times and has begun to give indications of closing down. Turkish exporters, who have not been paid for their exports to Algeria for the last 5 months, are reluctant to sign new contracts. The Istanbul Exporter Unions has asked the government to help resolve the problem.

While a reduction of Turkish purchases of Algerian oil is reportedly the primary cause of the Algerian decision to stop payments to Turkish exporters, the fact that the Turkish-Algerian Banking Agreement signed in September has not yet gone into effect is also seen as one of the causes of the halting of payments. Officials of foreign trade financing firms are uneasy in Algeria because, although Algeria has halted payments for exports, this is a time when export contracts must be signed. Stating that the government must act quickly to make Algeria--which is one of Turkey's major markets in North Africa--resume its payments for exports, exporters said: "The resumption of payments to Turkish exporters can be secured by increasing oil purchases from Algeria."

Leading Turkish exports to Algeria include legumes and other foodstuffs, cement, iron and steel, textile products and industrial machinery and parts. Following the decline in oil prices, Algeria began to reduce its imports to offset its falling foreign exchange revenues.

Officials of Suzer Foreign Trade Corporation disclosed that they turned down Algerian bids to buy legumes and added that if the payments that have been halted for the last 5 months are not resumed they will not sign new contracts and that they are in an anxious state of waiting. The company officials said that Algeria has asked them "to be patient for a little longer," and that they are encountering such a problem for the first time in the 5 months [as published] they have worked in the Algerian market. They added: "Algeria does not wish to import anything other than basic goods. If the Turkish government increases its oil imports from Algeria or starts purchasing natural gas and phosphates, we believe that the payment bottleneck can be resolved. With a market of \$300 million, Algeria is an indispensable market for Turkey."

Noting that the Algeria never endorsed the Turkish-Algerian Banking Agreement even though it was discussed at every meeting of the Joint Economic Commission in the last few years, officials said that Algeria has taken a positive approach to the system in the last 5 months and that, however, the system has not yet been activated. The officials said:

"When the banking agreement with Algeria becomes operational, as in the case of bilateral agreements with Iran and Iraq, the exporter will not worry about getting paid and the government will be responsible for collecting payments. This way payments to the exporter will not be interrupted. Because an interruption of payments imposes financing difficulties on the exporters, the problem assumes bigger proportions."

Exporter Union Appeal to Government

While the Istanbul Exporter Unions has reportedly appealed to the government with regard to this problem, it is also noted that the government generally requires that the foreign currency earned for exports be brought into the country within 4 months after the sale, that this period is 5 months for Algeria and that although the 5-month period has expired the foreign currency earned from sales to Algeria has not yet entered the country.

Banking Agreement Awaits Algeria's Approval

Meanwhile, officials of the Agreements Directorate General disclosed that the Turkish-Algerian Banking Agreement signed on 24 September is still awaiting Algeria's final approval and said: "If Algeria ratifies the agreement today, it can go into effect immediately." The officials stated that the agreement will make payments easier and will introduce some additional arrangements and that Algeria has been affected by the oil crisis like all the other oil producers. The Turkish-Algerian Banking Agreement incorporates \$50 million in cash and \$50 million in investments.

Officials of TEKFEN said that if Turkish oil purchases comply with the amounts agreed on by the two countries the payments problem will be resolved.

Officials of the Okan Holding Corporation stated that Turkish exporters are dealing with a government which has payment obligations and said that although Algeria will certainly fulfill its obligations the timing of the payments is important. The said: "The most important issue is the Algerian proposal: 'I will buy from you if you buy oil from me.' Because Turkish exporters are not in the oil business, the banking agreement must become operational without delay so that they will not have to respond to such a proposal."

Turkish Exporters Cut Prices

Officials of Yasar Foreign Trade Corporation said that Turkish exporters have been cutting prices on the Algerian market and that this is one of the causes of the problems in that market. They added:

"Algeria has not made payments to Turkish exporters for the last 5 months. This has been happening primarily in exports paid for by certificates. However, we believe that the payments will be made, even if late. Because it is a government which is responsible for those payments. Government-level negotiations will help the resolution of the problems in the Algerian market. That can be done by increasing oil imports from that country.

"Competition among Turkish exporters in the Algerian market and the resulting cuts in prices is creating more serious difficulties than the halting of the payments. Although payments are late, officials of foreign trade financing firms are in Algeria because it is the contract season. However, they are in a state of anxious waiting. The government must intervene to find an urgent solution to the problem."

Turkish Exports to Algeria

During the January-March quarter of 1986, Turkey's exports to Algeria totaled \$1.878 million. The export trend to that country since 1982 is as follows: \$8.842 million in 1982, \$5.727 million in 1983, \$7.133 million in 1984, \$7.958 million in 1985.

9588

CSO: 3554/121

SOLUTIONS SOUGHT FOR FORECLOSURE-BANKRUPTCY CRISIS

Leading Businessmen Offer Suggestions

Istanbul TERCUMAN in Turkish 15 Nov 86 p 6

[Text] The heavyweights of the private sector put forward various proposals asking the government to provide urgent resources to deal with the steadily growing number of foreclosure and bankruptcy cases. The recent brutal assault of the banks on companies has caused foreclosures and bankruptcies on a scale that is threatening the industrial sector and is seen as an indication that the shortage of cash on the market has reached an intolerable level.

Business circles have begun searching for solutions to the spate of foreclosures and bankruptcies that have begun to threaten industry. Various suggestions have been offered about the resources needed for this solution which is seen as a way of easing the companies' problems.

Nuh Kusculu, the president of the Istanbul Chamber of Commerce [ITO], which incorporates Turkey's largest firms, proposed that certain sectors consolidate their debts, that they obtain new loans with fixed interest rates and that banks become partners in profitable firms in exchange for the firms' debts.

Nurullah Gezgin, the president of the Istanbul Chamber of Industry [ISO], which closely monitors the pulse of the Turkish industry, said that the government can raise resources by a surcharge on luxury imports. TISK [Confederation of Turkish Employer Unions] President Halit Narin stated that the Central Bank can reduce interest rates by implementing an "interest rebate" system.

Stating that the government must urgently determine the extent of foreclosure cases, ITO President Nuh Kusculu said that that should be followed by an examination of the causes of the present situation. He continued:

"The present state of the companies can be attributed to three causes: Mistakes made by company executives, the firms' strategy of excessively rapid growth and the stability measures implemented [by the government]. Nothing can be done for the companies which are in trouble today because they tried to grow too rapidly. On the other hand, two types of resources can be created for companies which are in trouble because of decisions the government has not been able to make (such as measures against declining exports, failure to open up companies to the people and the erosion of operating capital.)

"Firstly, the banks can consolidate the debts of companies specializing in exports, production and investments. After these debts are consolidated the banks can issue new loans with fixed interest rates (about 20 to 25 percent) depending on the structure of each company. Secondly, in the case of companies whose operating capital has been eroded by credit interest rates of 85 to 90 percent and which can become profitable if their debts were paid off, the banks can convert outstanding debt to stock shares. Suppose a company owes 5 billion Turkish lira and it would be profitable if its debt were canceled. The lending bank can convert that debt into stock shares and it can become a partner in the firm. When the firm becomes profitable, the bank can sell its shares on the securities market.

"That brings us to another problem: The banks' solvency status. The government must find a remedy for the banks' needs for daily cash circulation."

ISO President Nurullah Gezgin insisted that the root cause of the current state of the Turkish industry is inadequacy of capital and added: "The industrialist cannot increase his capital with present profitability margins and the current inflation rate. The government must agree to take certain measures. Today, the companies are seeking funds from abroad and are being forced to borrow at high interest rates. However, these interest rates have long surpassed the level the companies can absorb. The entire issue hinges on the government's ability to generate resources. The Ulusu government which enacted the Public Housing Law in 1981 complained that it could not find resources. How was this government able to raise the resources?

"To generate resources, new funds can be established rather than using existing funds. In particular, new surcharges may introduced on luxury imports. Alternately, part of the resources designated for existing funds may be diverted in this direction."

Stating that the disease in the economy is now clearly identified, TISK President Halit Narin said:

"High-interest credits have generated cost inflation. High interest rates had a larger impact on companies which invested to renovate themselves. The economy has the production, the sales, the market and the inventories. If there are foreclosures and bankruptcies despite all these, then, with a few exceptions, the situation cannot and should not be interpreted as the incompetence of the companies. To end the spate of foreclosures and bankruptcies, the Central Bank must implement an 'interest rebate' system on credit interest rates. The government and the Central Bank must allocate 50 percent of the banks' deposits for use by investors and exporters."

Private Sector Calls for Banking Consortium

Istanbul TERCUMAN in Turkish 15 Nov 86 p 6

[Text] Ankara--Ali Coskun, the president of the Turkish Union of Chambers and Stock Exchanges [TUC], called for the "creation of a banking consortium to reclaim the troubled companies for the economy." Coskun said: "The government

must take measures to reclaim troubled firms for the economy. A banking consortium can collect outstanding debts from companies and can prevent bankruptcies."

Coskun responded to reporters' questions at a breakfast meeting yesterday. Stating that the spate of company failures and bank foreclosures experienced particularly in the Istanbul market needs urgent resolution, Coskun said that "with the exception of a few ill-intentioned firms, the companies are facing difficulties because of rising credit interest rates" and that the government must take urgent measures to remedy this situation.

Stating that the causes of the current difficulties of the companies are bad management, financing problems and ulterior motives, Coskun said: "If there are ulterior motives, it would be wrong to subject the entire business community to the same treatment."

Noting that many people invested heavily in the textile sector during the 1984-1985 period with an eye to capturing a larger share of the growing overseas market, Coskun said that as a result of this pattern the capital balance was upset and that, in the meanwhile, the overseas textile market was closed because of quotas imposed on textile exports.

Do Not Generalize

Coskun said: "A few isolated incidents must not be generalized to the entire business community; everyone should not be viewed in the same light. It would be wrong to see abuse and evasion of the law as a standard practice in the entire business community." Coskun added:

"The rescue effort must be at the company level. The government must take urgent steps on this issue. Officials are saying that credit interest rates will not be reduced in a single day. The cutting of interest rates is a political decision. A banking consortium must be created to help the economy reclaim the well-intentioned firms that are in trouble. That can prevent further bankruptcies."

Tax Burden Must Not Be Increased

Stating that budget deficits are the principal cause of inflation, Coskun said that the 25-percent inflation target set by the government for 1986 will be exceeded and that the actual inflation rate for the year will be around 30 percent.

Stating that the tax burden should not be increased in view of per capita income levels in Turkey, Coskun said: "In order to accomplish the envisaged 45-percent increase in budget revenues, rather than increasing the tax rate, sectors which are not taxed must be taxed and the tax collection system must be made to operate effectively."

COLUMNIST CALLS BUDGET INFLATIONARY

Istanbul TERCUMAN in Turkish 15 Nov 86 p 6

["In the Eyes of an Economist" column by Dr Tevfik Ertuzun: "An Unbalanced But Consistent Budget"]

[Text] The 1987 draft budget envisages total outlays of 10.92 trillion Turkish lira and revenues of 10 trillion Turkish lira, thus expecting a "budget deficit" of 920 billion Turkish lira from the outset.

The budget expenditures are composed of 4.195 trillion Turkish lira for current service expenses--of which 2.250 trillion Turkish lira is for personnel and 1.145 Turkish lira is for other current expenditures--1.850 trillion Turkish lira for investments and 4.875 trillion Turkish lira for transfers. This composition means that 38 percent of the budget is earmarked for current expenditures, 17 percent for investments and 45 percent for transfers.

When these figures are compared with the 1986 budget, it is seen that personnel expenditures have increased by 45 percent, investments by 42 percent, transfers by 68 percent and that total budget outlays have grown by 50 percent.

That 50 percent growth, which was set with the assumption that the inflation rate will be 20 percent in 1987, means that the budget itself will produce direct inflationary pressures.

We see in the 1987 budget the initial consequences of the excessive level of domestic and foreign borrowing in the last 3 years. The 68-percent growth in transfer expenditures clearly indicates that fact. A major portion of the transfer expenditures is made up of "interest payments on consolidated debt and other debt payments." The share of interest payments on consolidated debt alone in "total budget expenditures" grew from 11 percent in 1985 to 15 percent in 1986 to 18 percent in 1987. That clearly indicates the growing burden of debt. Short-term borrowing has played a major role in this situation. Of the 1 trillion Turkish lira worth of bonds sold in the first 9 months of this year, 75 percent have a maturity term of 6 months and carry an interest rate of 50 percent.

Beside interest payments of 2.265 trillion Turkish lira on domestic and foreign debts, over 2 trillion Turkish lira will be paid for the principal debt from extrabudgetary sources in 1987. When the budget deficit is added to that figure, it is seen that 3 trillion Turkish lira have to be raised. This amount is expected to be raised through domestic borrowing expected to total 2.880 trillion Turkish lira in 1987.

The "budget revenues" to finance the budget expenditures "are principally made up of taxes." Tax revenues are envisaged to increase by 45 percent compared to 1986 and reach 8.800 trillion Turkish lira. The expectation of a 3-trillion-lira increase in tax revenues is highly optimistic. An examination of tax revenues during the 1981-1985 period indicates that, despite the introduction of the value-added tax, budget revenues grew by as much as the inflation rate; in other words, revenues remained level in constant prices. Consequently, tax revenues can be expected to grow by the said amount only if the inflation rate is 45 percent. However, because expenditures would also grow if that happened, "the unbalance will grow" no matter what happens.

The principal feature of the 1987 budget can be summarized in two points. Firstly, this budget indicates that our economy has entered an accelerating debt spiral and it consequently emphasizes "the payment of debts." Secondly, the budget has an "inflationary" character because its expenditures are not based on sound resources.

Such a budgetary approach is in fact a natural result of the "inflation-based development model." Consequently, "the 1987 budget is an unbalanced budget, but it is consistent with the economic policies being implemented."

9588

CSO: 3554/125

SYSTEM OF LONG-RANGE DEFENSE PLANNING DESCRIBED

Stockholm VART FORSVAR in Swedish Nos 9-10, 1986 pp 12-14

[Article by O.K. Lind, former Danish chief of defense]

[Text] "Long-range defense planning can be compared to the problems that a racehorse breeder faces. He wants to win a race that is going to take place a few years down the road on a track that has not yet been built and with horses that have not yet been born. To make the problem more complicated, there is a possibility that when the race is finally run, the rules will be altered, the length of the track will be changed, and the horses will be replaced with dogs." (E.S. Quade, RAND, USAO.)

At the end of the 1960's, it was realized in Denmark that military planning for long-term development as it had existed until then needed improvement. The Danish military command could see that not only the business community but also the military authorities in other countries--the United States and Sweden, for example--were striving toward long-range planning. It was realized that the modern society then developing would normally take control of limited resources in a situation of increased needs.

To limit losses due to poor investments, new ways were sought for utilizing resources in a coordinated manner over the long term in accordance with established priorities.

That need led Denmark in 1970 to establish a special planning organization known as the Defense Staff Long-Term Planning Group. This happened in connection with a change in the top command structure of the Danish Armed Forces that was seen as desirable by the politicians. The change meant a sharp reduction in the influence of the commanders of the Danish services and a corresponding increase in the powers of the "chief of defense."

Middle Level Disappears

Actually, it meant the disappearance of the middle hierarchy, which--in Sweden, for example--is responsible for operations. The result was that many questions of detail which the Defense Staff was not supposed to be burdened with when implementing its planning, resource allocation, coordination, and

control nevertheless wound up in its lap, and the decentralization which everyone wanted to see implemented was thereby made more difficult.

The newly formed planning group was placed directly under the chief of the Defense Staff. That had several advantages, but naturally, it also caused coordination problems when a lieutenant colonel heading that new and specially assigned group had to "sell" completely new ideas to other staff departments. More often than not, the planning group was seen as a bunch of ungrateful fosterlings taking over the nest. The group consisted of a chief and two officers from each of the services.

The planning group was convinced from the very start that its first and foremost task was to train "itself." It discovered the American RPB system and was captivated in particular by the way that system had been developed in Sweden. The "Red Book," which the Swedish Ministry of Defense had published in 1969, became its textbook par excellence.

Joint Tasks

There were study visits to the FRG and Norway--necessarily, considering joint tasks within NATO--and to Sweden, where the foundations were laid for good contacts with the Defense Staff's Planning Section 7 and the FOA [Defense Research Institute].

We realized very quickly that we must begin by "planning our planning." This was necessary to prevent planning memos covered with varying degrees of scribbling from circulating among the staffs and keeping the system hectically busy with "nothing" ("the hectic standstill" that we had been warned about during our visit to Bonn).

To a large extent, the arrangement of the Danish planning system followed the system then existing in Sweden: we wanted to set up a prospective plan covering the next 10 or 15 years and use that as the basis for developing a 5-year plan that would be linked to the prospective plan through several system plans which would be established for procurement and development projects of major operational or economic importance. On the basis of the 5-year plan, the Defense Staff's other departments would work out their current budget requirements for inclusion in the Danish budget bill, after which detailed plans for each year could be given their final form and issued as directives to the military authorities. The only thing still lacking was a system of control that could provide the Defense Staff with the necessary feedback.

"Spaceship"

We illustrated the way the various planning components fit together in a diagram which our colleagues on the Defense Staff called the "spaceship."

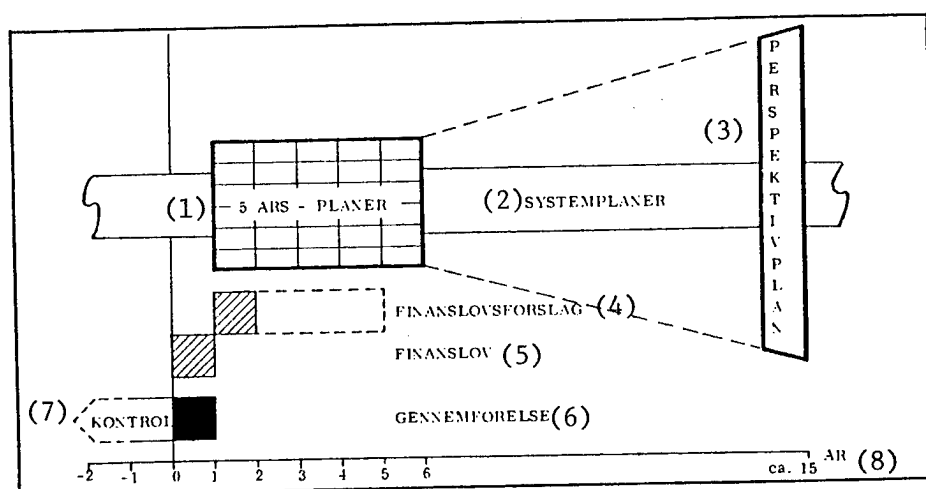
When we had obtained approval in principle of the "spaceship," we began work aimed at producing the prospective plan. Again we took our inspiration from the "Red Book" with its threat assessments and alternative structures. The new plan came to be called the "prayer wheel."

It is important, if one wishes to understand the nature and difficulty of prospective planning, to realize that an intelligence service is not easily persuaded to analyze threats that will exist 15 years in the future. And economists and those responsible for materiel are equally unenthusiastic about calculating the cost of a defense structure 15 years down the road. Things were no different in our case, even though we emphasized that it was precisely the factor of uncertainty which made it necessary to avoid excessively detailed planning.

Operational Analysis

Actually, help was easier to obtain with a rough operational analysis of the proposed structures. The Danish military's research office developed an operational analysis game called CASANDRA (Computer-Assisted Analysis for Defense Resource Allocation)--a very appropriate name, since it reminds one of the demigoddess in Greek mythology who could indeed see the future but lacked the ability to make others believe what she said.

It was also clear that planning could only be meaningful if the chief of defense could bring about the political will to establish and maintain dialogue on the subject of defense policy. We knew that our aspiration level was quite high, but we were also completely sure that long-term planning would improve the decision data, partly by limiting the factor of uncertainty that is always associated with long-range decisions. We also knew that many important decisions even after the introduction of a planning system would be



The planning system in the Danish Armed Forces includes a prospective plan, 5-year plans, and system plans along with implementation and control. The system is generally known as the "spaceship."

Key:

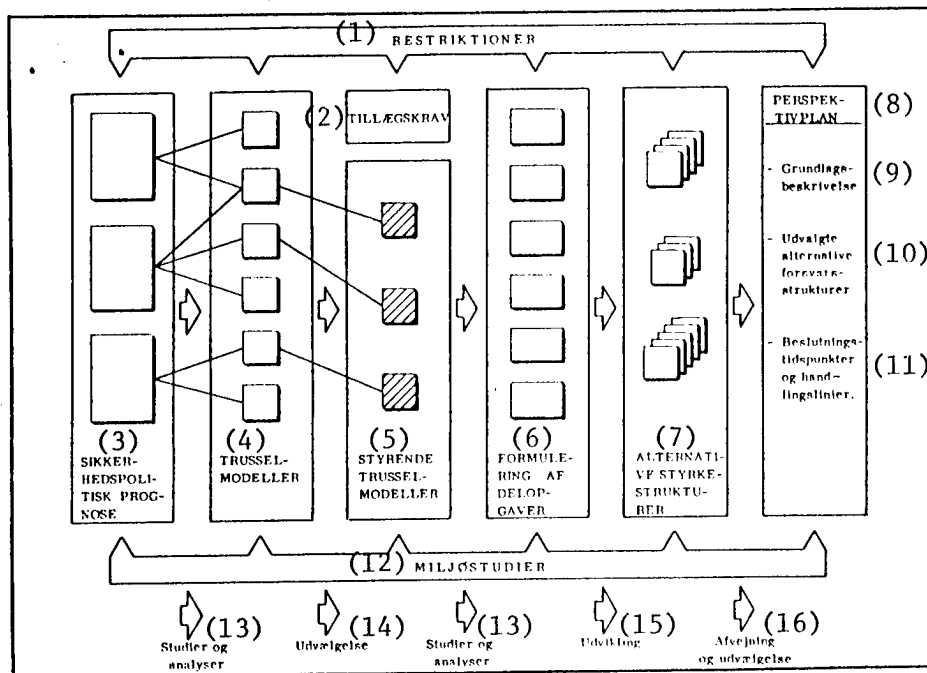
- | | |
|---------------------|-------------------|
| 1. 5-year plans | 5. Budget |
| 2. System plans | 6. Implementation |
| 3. Prospective plan | 7. Control |
| 4. Draft budget | 8. About 15 years |

based on the subtle intuition of the responsible chiefs and their ability to make political assessments. But it became clear quite soon that the system was having a favorable effect on the entire Defense Staff, where studies of results and longer-term analyses were becoming everyday fare for most people.

The pitfalls we anticipated--and which were mentioned above--were such that we felt very optimistic about our ability to overcome them.

Dialogue

But we did not anticipate the difficulties that would arise in dialogue between the military and political areas. The result was that the statement by Quade which we quoted at the beginning of this article came to fit the situation better than we had ever believed. The planning system was not used



The model forming the basis for the prospective plan--with its various threat assessments and alternative defense structures--is called the "prayer wheel."

Key:

- | | |
|------------------------------------|---|
| 1. Restrictions | 10. Alternative defense structures selected |
| 2. Additional requirements | 11. Decision dates and courses of action |
| 3. Security policy forecast | 12. Environmental studies |
| 4. Threat models | 13. Studies and analyses |
| 5. Governing threat models | 14. Selection |
| 6. Formulation of various missions | 15. Development |
| 7. Alternative force structures | 16. Evaluation and selection |
| 8. Prospective plan | |
| 9. Basic description | |

in connection with the negotiations leading up to the 1977 defense decision. Except for a so-called prospective planning report in 1977, the contemplated plans were never printed.

In addition, it turned out that the operational analyses were less suited as models for the military's way of doing its job in a broader perspective than as the basis for more narrowly based studies of the individual components of weapon systems as a whole.

Cost calculations with respect to one or more individual systems were marred by obvious problems, especially because political views, combined with the military's own efforts at rationalization, often conflicted with anticipated long-term trends, and the result was to change the foundations underlying planning.

Business Gives up Long-Range Planning

That coincided with a situation in which the business community was giving up the idea of looking more than a few years into the future--the idea of long-range planning was no longer "in" during the latter half of the 1970's.

Fortunately, the Defense Staff did not choose simply to give up. Several planning documents were produced--but without the coherence that is required if one is to talk about real planning.

"Daniae ordinant et reordinant, tame sine ordine vivant" is what one Swedish observer once wrote to his king. Nearly 10 years after the establishment of a long-term planning group, the conclusion was reached that the time was ripe for reorganizing the Defense Staff. The planning group was abolished, and the Defense Staff's Operations Staff was strengthened instead by adding another department. Instead of submitting prospective plans, that department occupies itself with special studies shedding light on long-term trends over a period of 15 or 20 years.

What this involves is studies of developments in society, the threat picture, technological development, and so on, as well as studies of special strategic and operational trends in general that are of significance to the makeup and missions of the Armed Forces.

Outline of Development

Another section in the Planning Department is responsible for working out an outline of development covering from 10 to 20 years, but that outline is quite sparse in detail and, in addition, is designed in such a way as to avoid duplicating NATO's planning work. The idea is that that development outline is to be based on the framework of the existing defense decision and is to take the above-mentioned special studies into account.

That lays the foundation for a 6-year plan. The plan provides a detailed and specific view of Armed Forces development, activities, and resource needs for each year of the period covered. It is assumed that the plan can be used in

connection with the Defense Command's preparations for a new defense decision and also that it will be subjected to rolling adjustments every year.

The annual defense plan is aimed at trying to create consistency with respect to national budget work, and at the same time, it provides subordinate authorities with directives concerning the year's activities. The plan is called the annual program.

The last document is the annual report, which serves to indicate where the Armed Forces stand at yearend and also provides a retrospect of combined planning.

Outlined System

The Danish Defense Command has not yet implemented planning completely in keeping with the system outlined above. The tendency to let everyday life take priority over the planned period is as strong as ever. This is unfortunate, but scarcely an unknown phenomenon in any military organization. Today's aspiration level is more modest, but on the other hand, it is also more realistic.

In connection with the planning work, there emerged, naturally enough--as also happened in Sweden--a desire to delegate economic responsibility in keeping with the principles of the U.S. Planning, Programming, and Budgeting System. The difficulty with delegation, naturally, lies in its control. Control is a precondition if delegation is to be effective.

Control requires precisely formulated and preferably quantified tasks so that one can establish an unequivocal objective which, in turn, can be tied to a particular resource requirement. I do not know of any place where a satisfactory solution to this problem has been found.

At the moment, however, intensive work is being done on the question of delegation from the Defense Command to subordinate authorities. This is part of the Danish Government's modernization program in which improvement within the Armed Forces is described as the government's "flagship project."

Scarcely any decisive progress has been made on the question of planning and resource delegation--in Denmark or elsewhere. But even though the work has been progressing somewhat more slowly than those concerned with planning would have liked, significant and favorable progress has occurred over the past 15 years. Compared to the progress that has been made in the civilian sector and the other government departments, it can be said that the Armed Forces are well out in front when it comes to planning work.

11798

CSO: 3650/57

DETAILS OF RECENT MANEUVERS PROVIDED

Mercure 86 Maneuver Described

Paris ARMEE ET DEFENSE in French Nov/Dec 86 pp 7-8

[Article by Lt Col G. Cazalieres, deputy to the commander for DOT affairs]

[Text] Theme and Situation

This was a regional command exercise, with troops participating and involving one move. Organized with troops from the Groups of the Departments of Tarn and Tarn-et-Garonne taking part, "Mercure 86" was held from 26 June 1986 at 1500 to 27 June at 1700.

The general theme was the support provided by the National Gendarmerie to the 11th Parachute Division on the occasion of its move from its ZDG's [areas of concentration] to its ZDI [area of operation]. The Gendarmerie participated by providing for the security of the communications routes used and facilitating the road movement of the division when it moved across the two departments involved. Furthermore, it was an appropriate occasion for studying liaison arrangements between units of the Gendarmerie (particularly by radio) and formations of the 11th Parachute Division. Finally and above all, it was necessary to make us of an exercise on the ground to develop a doctrine for the employment of Traffic Platoons of Departmental Units of the Gendarmerie (PCGD). Furthermore, those participating in the exercise had to take the general situation into account: mobilization measures approved up to Stage 4, a state of urgency in effect since 23 June, and a flood of refugees to be restricted to certain routes and provided with directions.

Situation

As of 0800 on 26 June the reserve officers called to active duty for the exercise reported either in Toulouse (in the case of the DOT's) [deputies to the commanders for Territorial Defense Operations], in Albi, or in Montauban (personnel assigned to the PCGD's). Procedures for incorporating newly assigned personnel were rapidly carried out. During the previous 8 months, when the assignment of the Gendarmerie had become a reality, certain habits had taken hold. For the deputy DOT's, who were still being brought into the exercise, the various formalities were simplified even further. Thus, they

were able to use part of the morning "to brush up" on their roles as deputy DOT's, in cooperation with officers on active duty.

Immediately after breakfast on 26 June the officers moved to Montauban or to Albi by road (three deputy DOT's assigned to each Command Post). They were to meet the lieutenants commanding the PCGD's, who had already studied the exercise plan and were ready to move out.

We will review here how the exercise unfolded at the level of the Tarn Group, in whose activities we participated. Welcomed on our arrival by Lieutenant Colonel Cozic, deputy commander, we were immediately on familiar ground. The personnel of the "Operations Room" were presented. Everything was in place: the secretary, maps, messages, etc. The three reserve officers serving as deputy DOT's (Major Dussaix, Major Ros, and I) were to take turns in assuming responsibility for the operation, with the assistance of an active duty officer. They were already familiar with moving around on this terrain. Lieutenant Colonel Darmau, commanding the Tarn Group, was to spend a large part of the night with us.

Meanwhile, the commanders of the PCGD's had moved out on the routes given them. The northern section would be the responsibility of Lieutenants Szczepaniak and Delaux, while the southern section would be under Lieutenant Gauffre. A total of 25 auxiliary gendarmes, included in each PCGD, were to take part in the maneuver. Reconnaissance activity was immediately undertaken, and interesting suggestions were made to the Command Post. Among these proposals we might mention aerial reconnaissance of the route, using light aircraft from the Aero-Club de Castries.

We had the task of arranging for the crossing of the Department of the Tarn by two regiments:

--The 7th RPCS [parachute regiment] would leave Albi on 27 June at 0000 and was scheduled to reach the northern border of the department, North of Cordes, by 0200 (last vehicle).

--The 3rd RPIMa [marine parachute infantry regiment], coming from Carcassonne, which would enter the Department of the Tarn on 27 June at 0615 (first vehicle) South of Mazamet and was scheduled to reach the same point as the 7th RPCS by 1100 (last vehicle), after having made a half hour halt in the vicinity of Albi.

These two regiments were represented on the ground by a detachment of radio equipped vehicles, which would represent the different elements of each unit.

Operations

From the beginning of the exercise a first message reported "five armed men near Realmont," who were therefore close to the established route. Shortly after that a more serious report reached us: "Bridge at Saint-Martin-Laguepie, over the Viaur River, damaged by explosives." For anyone who knew the terrain, there could be no question of letting a regiment become involved in the steep descent leading to the valley of the Viaur River. The area was

familiar to the reserve officer responsible for the movement. He immediately looked for an alternative route, farther West and easier to move on.

For the same reason it turned out to be easy to redirect the 500 refugees who were moving toward the route to be used by the troops. A barricade was set up along the departmental border. This made it possible to shift these refugees toward an area in the Department of the Aveyron which could handle them. With the same considerations in mind, the decision was made to clear a road obstructed by fallen trees by requisitioning local resources, rather than calling on the 94th Engineering Company, which was more than 100 kilometers away at Castelsarrasin.

A thorny problem was posed by the criminal destruction of a cistern of ammonia at Realmont at 0130 along the route to be taken by the 3rd RPIMa. A detour had been long foreseen as a possibility and was therefore easy to take.

However, the following remained to be decided:

--How to handle the local people.

--The contaminated area would have to be closed (considering the wind, the duration of the period of high toxicity, etc).

Not every reserve officer is necessarily a chemist or a responsible officer in the civil defense organization!

Despite the difficulties, the last vehicle of the 7th RPCS left the department at 0205, and by 1115 on 27 June the last vehicle of the 3rd RPIMa was to reach the same point.

Atmosphere

First of all, we should emphasize the frank comradeship and mutual esteem between the active duty personnel of the Gendarmerie and reserve officers assigned to it. Basically, this was due to the attitude of the reserve officers, all of whom volunteered for this exercise, and the confidence in them displayed by the active duty officers, who were aware of the substantial contribution which we provided. Furthermore, we cannot fail to mention the large number and the diversity of the tasks performed by the Gendarmerie, which it continued to handle during the exercise.

Lessons and Conclusions

The "debriefing," with all of the participants attending, lasted for 2 1/2 hours on 27 June. A very frank, round table discussion made it possible to express criticisms or to suggest solutions. These basically involved the following:

--The need to decentralize decision making to the level of the platoon commander.

--Saturation of communications.

--Since units of the 11th Parachute Division were moving under radio silence, it was essential to have Gendarmerie vehicles accompanying them.

--The vehicle weight limit depended on the types of roads used. Therefore, the choice of routes had to be made in terms of the type of military convoys using them.

--As road detour routes had to return to the initial road as soon as possible, rather long detours near cities and crossroads should be avoided, in order to avoid temporary obstacles (demonstrations, etc).

--Young lieutenants have a duty to learn how to command, to determine the mission to be performed, and to check on its performance.

--A priority duty for reserve officers assigned to a POGD is to learn railway operations and ABC [armored cavalry] functions.

--The deputy DOT's have a responsibility to maintain and develop their knowledge of Gendarmerie units and their methods of employment.

--Calling on the 94th Engineering Company should be reserved for particularly important matters.

--Major Ros, of the Railway Branch, should prepare a doctrine for the employment of POGD units.

As we saw, these proposals were highly varied and were very freely expressed by all concerned. We observed an effort to find the most effective solutions and we think that this kind of session should be regularly held.

Colonel Amet (Footnote 1) (Appointed brigadier general as of 1 November 1986 and still in the same assignment), commander of the Gendarmerie Legion of the Midi-Pyrenees Region [South coast of France and Franco-Spanish border area], was fully aware of this when he said, at the end of the exercise: "We are trying to do the maximum, because we have been considering, as it affects you and the Gendarmerie, the range of our new tasks under the DOT system. First of all, we want to establish a climate of confidence and sympathy, and then to consider the application of a doctrine for employing this system. We were very much interested in the contribution made by your experience and by the opinions which you expressed."

Saint-Lys 86 Actions Outlined

Paris ARMEE ET DEFENSE in French Nov/Dec 86 pp 10-13

[Article by Squadron Commander J.-P. Dussaix, deputy DOT in the Department of the Tarn]

[Text] Purpose of the Exercise and Deployment

The "Saint-Lys 86" defense exercise took place on 29, 30, and 31 October 1986 and covered three phases which illustrate its objectives:

--Information and general training of DOT units.

--Specific training by unit of employment.

--The exercise, properly speaking, in the vicinity of Toulouse: review of a year of training, in which the deputy DOT's of the Group actively participated.

At 1000 on 29 September the reserve officers involved assembled at Caserne Courege [Courege Barracks] in Toulouse, under the orders of Colonel Vincent, deputy commander of the Gendarmerie Legion of the Midi-Pyrenees area. Colonel Amet (Footnote 1) (brigadier general since 1 November 1986), commander of the Gendarmerie Legion in the area, welcomed them and presented a very clear analysis of the organization for national defense, the DOT system, and the missions performed by the Gendarmerie. Lieutenant Colonel Bollard, adviser on DOT matters to the Legion commander, recalled the different exercises held during the previous year. Then he emphasized the decisive role played by the deputy DOT officers of the Group, defining the different aspects of their duties in time of peace as well as in time of crisis.

First of All, Training Is for Reserve Officers

The rest of the morning was devoted to presentations by the deputy DOT's and by Captain Guillou, squadron commander of the Mobile Gendarmerie. These covered an evaluation of the threat and the principles and manner of employment of DOT units of the Gendarmerie.

After lunch, which they had together, it was my turn to "lead off" by explaining and commenting on "Saint-Lys 86." This was a defense exercise with troop participation, involving two moves, covering a period of Territorial Operational Defense and the period following national mobilization. It had the objective of protection and defense of a Category 1 strategic civilian point 1 and, secondarily, the provision of assistance to the movement of a unit of the active forces toward its area of operation. The "Ruby Force," whose composition we did not yet know, in fact was made up of a CRAP (Footnote 2) (Deep Reconnaissance and Action Commando) of the 11th Parachute Division and a light operations element of the Gendarmerie. After Lieutenant Colonel Bollard reminded each of the reserve officers of his assignment during the exercise, the latter were divided up between the guard detachment of the PS's [surveillance post], a PCGD, a squadron assigned from the Mobile Gendarmerie, the Command Post of the Group of the Departments of the Haute-Garonne and of the Gers, the Command Post of the Gendarmerie Legion, and the Umpire. In each unit the rotation of personnel had been arranged, so that everyone could hold the respective positions, with priority, of course, going to position commanders.

From 1530 to 1800 the reserve officers received specific training by unit, intended to make it possible for them to prepare for their respective missions.

At 1800 the initial orders issued by the commanders of the Group of the Departments of the Haute-Garonne and of the Gers, where exercise "Saint-Lys 86" was taking place, were transmitted to the reserve officers, the commanders of the guard detachments at the PS's, and the commanders of the units taking part in the exercise.

An Exercise with Troops Conducted in Real Time

Beginning at 0800 on 30 September, certain reserve officers moved to their units, which were composed of auxiliary gendarmes with non-commissioned officers of the active force. Two intelligence platoons, commanded by active duty, non-commissioned officers, also took part. After a short briefing, the troops went to their assigned positions.

At the same time in Toulouse Lieutenant Colonel Guegantou, commanding the 14th Group of the Mobile Gendarmerie, presented Squadron 2/14 to the reserve officers, who assumed command of it.

In the course of the afternoon, at the PS, the officers improved the defensive plan, set up observation posts, sent out patrols in the nearby area, and established liaison with neighboring units. The intelligence platoons operating in the territory of their company concentrated their efforts on finding possible areas to retreat to. At 1400 the traffic platoon had to take action, because the enemy was harrasing the motor convoy of the unit of the active forces then under way. Detours from established routes were designated, and it was also necessary to deal with problems caused by pollution of the water supply and an obstacle on the route (a bridge was under repair).

Around 1700 individuals in uniform were reported by civilians Southeast of the Foret de Bouconne. They were moving South, 6 kilometers Northwest of the PS. The intelligence was immediately transmitted to the Gendarmerie. The roving squadron, engaged in reconnaissance in this area, had not picked them up. Was this an enemy commando force? Until night fell, the various units had had no contact with the enemy. A position based on several ambush sites was set up in the external defense zone near the PS. The various command posts organized themselves for the night. At other PS's, guards were doubled, and each platoon had a group in reserve.

Around 2230, 2 kilometers South of the PS, the enemy fell into an ambush set by the squadron but was able to slip away. An incident of the same kind occurred at 2300, 2.5 kilometers to the Southwest. All units were alerted. As the threat became clearer, Lieutenant Colonel Cazalieres, deputy DOT of the Group from the Department of the Haute-Garonne, came to the PS to set up a tactical Command Post there to coordinate the activities of units of the "Blue Force."

At 2330 a new clash took place 1.5 kilometers East of the PS. The enemy again succeeded in slipping away.

At the same time the Gendarmerie had to deal with a serious incident, this

time a real one. An armed assault required setting up a force to intercept the suspect. Let's not forget that throughout the exercise the usual missions of the Gendarmerie continued to be performed. The same thing would happen in a time of crisis.

At 2400 two members of an enemy commando were captured by the platoon on guard South of the PS.

At 0145 on 1 October there was a clash East of the PS, near the perimeter. An umpire discovered a mock explosive charge set against the base of the PS position. The enemy operation had succeeded in this way. Would the same thing have happened with real munitions? That remains to be proved. Here, the final result was secondary. The essential thing was to get the maximum amount of operational benefit for future use.

At 0130 on 1 October exercise "Saint-Lys 86" was terminated.

DOT Activity with the Gendarmerie: a Reality

At 0945 unit commanders of the "Blue Force" met at the Command Post of the Gendarmerie Legion at Caserne Courrege in Toulouse. Under the chairmanship of Colonel Vinatier, a group commander in the Department of the Haute-Garonne who played the role of the commander of the Gendarmerie Legion in this exercise, they prepared the "debriefing" to be presented that afternoon.

At 1100 a ceremony of laying a wreath at the Monument to the Dead of the Gendarmerie was held, followed by a reception to which personnel from the active and reserve forces were invited. A fellowship meal followed, at which the participants in the exercise were brought together in a friendly and intimate atmosphere. This made it possible to strengthen, if this was necessary, the cordial feelings we all had.

The "debriefing" was held from 1500 to 1700. Colonel Vincent presided over the presentations made by different officers and summarized the conclusions. All of the participants were convinced that, thanks to the flexibility displayed in the organization of the command--a flexibility making it possible to hold a decentralized exercise--the Gendarmerie is an effective and indispensable support element for the DOT. In effect, the significant margin for initiative which exists at all levels of the Gendarmerie made possible the immediate use of intelligence and instantaneous reactions by elements taking part in the exercise. It is still necessary for the training of these organic units to be complete and continuous. This is the objective which Colonel Vincent and Lieutenant Colonel Bollard have set for themselves for 1987, planning as of now for a session involving the recall to active duty of non-commissioned officers.

5170

CSO: 3519/81

RESPONSIBILITIES, PURPOSES OF GENDARMERIE OUTLINED

Paris ARMEE ET DEFENSE in French Nov/Dec 86 pp 10-13

[Article by Lieutenant Colonel Goux]

[Text] Editor's Note: this presentation was made in Lyon at the annual meeting of the Divisional Councils of the 5th RM [Military Region].

Since 1 January 1985 "in the framework of legislative provisions and regulations in force, the Gendarmerie has been responsible in time of peace as well as in time of crisis and until the offensive commitment of the armed forces for the protection and defense of Category N-1 civilian and public order strategic points, as well as for taking immediate action to protect strategic points that are threatened." (From Ministerial Circular No 2299/DEF/C3 of 3 July 1984)

The minister of defense, prior to the offensive commitment of the armed forces, relies on the Gendarmerie, which has important, specific powers during peacetime in terms of administrative and judicial police functions:

--Checking identity cards.

--Surveillance.

--Requisitioning.

--Using firearms.

The present study has the objective of presenting in this new context the organization of the Gendarmerie, its missions, its resources, and the arrangements for their use.

In a second section the role of Army reserve officers on detached service with the Gendarmerie, as well as measures for their training and equipment, will be considered.

I - Recall of reservists by the Gendarmerie organization.

Mobilization consists of:

- Doubling existing personnel strength.
- Establishing a certain number of new units.

However, under the DOT [Operational Defense of the Territory] the Gendarmerie retains its general organization (for example, its regional structure).

II - Resources

21 - The Gendarmerie in the Departments of France

Following mobilization, the Gendarmerie in the various departments, equipped with light arms and road vehicles, consists of two kinds of forces:

Category 1 Forces

- General staffs with twice the number of personnel at all levels.
- Territorial brigades with twice the number of personnel.
- Research Units.

Category 3 Forces

- Gendarmerie surveillance and operational platoons.
- Border platoons.
- Traffic platoons (commanded by Army reserve officers).
- Guard units for strategic points (commanded by Army reserve officers).

22 - Mobile Gendarmerie

Category 2 Forces

- Personnel of group general staffs are doubled.
- The number and structure of group and squadron general staffs will not change.
- The squadrons will be:
 - Provided with vehicle transport.
 - Provided with mixed armored car equipment.
 - Provided with mixed VERG (Gendarmerie wheeled armored cars).

Category 3 Forces

--Four tactical general staffs and 20 squadrons drawn from the Mobile Gendarmerie will be established in the 5th Gendarmerie Region.

The squadrons so established will be motorized and will include cadre drawn from the active duty force. They will be commanded by Army reserve officers.

III - Missions

31 - Permanent Missions

The permanent missions of the Gendarmerie are:

--Intelligence collection.

--Judicial police functions.

--Administrative police functions (including the maintenance of order).

--Military police functions.

Whatever the legal situation of the moment, these missions remain. Only the relative priorities may change as a function of the situation.

32 - Missions in Connection with the DOT

--Providing for the internal defense of its own resources and installations.

--Mobilizing itself.

--Participating in the mobilization of other branches of the armed forces.

--Collecting intelligence:

--Systematic collection of intelligence in the course of daily activity.

--Intelligence collection on the basis of other intelligence coming from the Gendarmerie; furnished by other, specialized organizations; or at the express request of the "general commandant superieur interarmees" [commanding general of the armed forces].

--Transmission of intelligence to appropriate authorities.

--Defending strategic points:

--Defense of N-1 civilian and public service strategic points.

--Action to protect threatened, strategic points, whatever their classifications (PS N-1, PS N-1B, Regional PS's, Departmental PS's).

This involves action at the so-called first level.

Before orders are issued for the offensive commitment of the armed forces, this responsibility rests only with the Gendarmerie. In most cases this will involve reinforced administrative and judicial police operations.

--Participating in armed operations.

Only the Gendarmerie may be committed to an operation within its capabilities, which involves the use of firearms.

In other cases, the Gendarmerie may be reinforced by other units of the armed forces to carry out an operation for which it has responsibility.

Finally, if the circumstances require it, Gendarmerie units may be committed to reinforce other units of the armed forces, including the Army in particular.

--Participating in the control of defense road traffic.

--Participating in the surveillance of the national borders.

IV - Commitment of the Gendarmerie

41 - Specific Character of the Gendarmerie

In carrying out the DOT, as in normal time of peace, the Gendarmerie will take the initiative in performing its permanent missions, in the framework of the laws and regulations which govern it.

These laws and regulations confer on officers and non-commissioned officers of the Gendarmerie specific powers related to their status as officers or agents of the Judicial Police.

In particular, these personnel have the power, under certain, specific conditions, to use the weapons assigned to them, before the offensive commitment of the armed forces is approved.

Before it is in a position to provide for the optimum deployment of its resources for the execution of highly varied missions, as determined by different authorities (both civilian and military), the Gendarmerie has its own hierarchical chain of command, which alone is fully informed of the rules of engagement of the service.

The implementation of the DOT, mobilization, or any other government decision does not involve any departure from this principle.

42 - Employment of the Gendarmerie Under the DOT

First Phase: before the offensive commitment of the armed forces

During this phase civilian authorities remain responsible for public order. The role of the Gendarmerie is essential in the following areas:

--Intelligence.

--Developing programs to protect strategic points and to take action to protect them in case of need.

Consequently, the activities of the Gendarmerie involve, as they do in peacetime, either acting on its own initiative or at the request of the civil authorities. The commander of the departmental legion of the Gendarmerie assumes operational command responsibility.

Second Phase: after the offensive commitment of the armed forces

During this phase the military authorities are responsible for the conduct of operations. After a decision by the government, these authorities may assume responsibility for public order and for coordinating civil defense measures with military operations in certain designated areas.

Consequently, the activities of the Gendarmerie will involve either action on its own initiative or in the framework of particular orders issued by the military authorities.

Under all circumstances the commander of the departmental legion of the Gendarmerie remains the essential link between the commander of the DMT [Military Defense of the Territory] and Gendarmerie units.

V - Role of Army Reserve Officers

51 - General Staffs

--At the departmental legion level: the reserve colonel advising the commander of the departmental legion of the Gendarmerie will play an essential role.

The deputy to the chief of the Gendarmerie for all questions concerning reservists will be charged with the following problems concerning the management and training of reserve cadres:

--At the group level: the lieutenant colonel who is deputy to the group commander for DOT affairs has a dual role in time of peace:

--Advising on the use of reservists,

--Representing the adviser for reservists at the departmental legion level,

--Organizing the work of reservists assigned to the general staff of the group;

--At the company level:

--Arranging for liaison with guard formations,

--Supporting the company commander in the areas of intelligence and operations.

52 - Command of Units

The following units shall be commanded by Army reserve officers:

--Traffic Platoons: these units, drawn from peacetime motorized platoons, will be charged with resolving traffic problems (the officer selected will generally come from the Railways Branch),

--Guard Units for Strategic Points: these units will be charged with guarding N-1 civilian and public service strategic points. Except in exceptional cases, they will be directly attached to the company in whose area of operations the strategic point involved is located,

--Squadrons Drawn from the Mobile Gendarmerie: these units have two essential missions:

--The maintenance or reestablishment of order, should this problem arise,

--Taking action in defense of N-1 civilian and public service strategic points.

The fact remains that these units can also participate in all Gendarmerie missions.

VI - Training of Army Reserve Officers

Army officers assigned to mobilized units of the Gendarmerie are considered "detached" from the territorial military division to which they are assigned:

--The territorial military division continues to provide their administrative support,

--The Gendarmerie participates in their training and promotion,

--The Gendarmerie will maintain an abbreviated service record which it will keep up to date (including their annual efficiency report and training reports),

--Each officer will be provided at an early date with a notebook in which he will record his activities and which, when properly certified, will make it possible to evaluate his score in points annually.

The training of reserve officers within the Gendarmerie may take two forms:

Required Activities

Required activities are accomplished on the basis of daily credits approved by the Directorate General of the National Gendarmerie. For 1986 these shall consist of about 5 days for a junior officer and 6 days for a senior officer.

In the course of these required activity days the following matters may be covered:

- Information on the Gendarmerie,
- A training program in units of the active Army,
- Selective meetings of command teams,
- Participation in DOT exercises.

In 1986 these required activities shall be reserved for officers. Non-commissioned officers and enlisted men will not participate in the program, as training credits have not been provided for them.

Benevolent Activities

Benevolent activities include:

- Activities mentioned below for personnel not assigned to them,
- Study of specific problems in training programs for subordinate officers,
- Activities offered by the territorial military division,

In the case of specifically benevolent activities, those involved will benefit from the following advantages:

- Assignment under orders, using Form 11B,
- This assignment officially certifies the absence of the officer involved as far as his post of employment is concerned, if necessary,
- Reduced fares on the SNCF [French state railways],
- Coverage against risks under the same conditions as personnel on active service.

On the other hand, the officers involved cannot claim either additional pay or allowances.

VII - Equipment of Units and Personnel

Guard units for strategic points are made up of about 3,500 men in the 5th Gendarmerie Region.

The equipment of these units shall be provided by the Army. In most cases this involves RID items transferred to the Gendarmerie.

Two points should be kept in mind:

--Automobiles: vehicles will be provided by requisitioning or from stocks earmarked for national mobilization.

Eventually, initial unit transport facilities will be provided by vehicles obtained from the active Army or under agreements previously entered into.

--Radios: units guarding strategic points will be provided with older equipment. This equipment will be in good condition and will function properly.

Regarding the uniforms of Army officers and non-commissioned officers, a recent decision has provided for the following:

Work uniform: this shall be in conformity with the catalog of equipment, with these provisions:

--Officers' stripes shall be in the colors of the Mobile Gendarmerie,

--The "Gendarmerie" band shall be worn on the combat jacket (the specific location to be prescribed by the Directorate General of the National Gendarmerie).

Off-Duty uniform: officers and non-commissioned officers who wish to do so may wear Army uniform, with the following changes:

--The uniform hat [kepi] shall be that of the Mobile Gendarmerie,

--Badges of the Gendarmerie: shoulder boards, sleeve insignia, unit insignia, gold buttons.

It should be noted that non-commissioned officers from the Auxiliary Gendarmerie will continue to wear the uniform designated for this category of personnel.

5170

CSO: 3519/81

PAPER ATTACKS NORDIC CENTER PARTIES' STAND ON NATO

Oslo AFTENPOSTEN in Norwegian 19 Jan 87 p 2

[Editorial: "Naive Support"]

[Text] Under the cover of relaxation of tensions, the Soviet Union has for several decades built up its military base on Kola into one of the world's most bulging war arsenals. This happened after Admiral Gorskov in the 1960's began the policy of a strong Soviet naval presence in all the world's seas. For Norway the result was that we got the world's largest naval concentration right outside our front door, with the danger of having our security policy lifeline cut off -- the Atlantic Ocean.

The above has almost become a grammar school lesson, and this has led to the declared Norwegian wish that our NATO allies, particularly the American navy, show themselves in the northern areas. Since the north flank has increasingly become a northern front, the alliance has taken into account the fact that the Soviet Union is conducting its exercises farther and farther south and into the Atlantic Ocean. If it did not, a conflict could easily be lost by the West if the Warsaw Pact were allowed to dominate the Atlantic Ocean and the Norwegian Sea.

From time to time the Finns have expressed concern that NATO has begun to show its flag more in the North. We have not noticed any corresponding statements of fear because of the fleet buildup on Kola. Therefore we were quite surprised when the center parties in Norway, Sweden, and Finland presented their recent statement encouraging all countries to show military restraint in northern Europe. The statement arose upon the initiative of the Finnish foreign minister, Paavo Vayrynen, who insisted that the idea of a nuclear weapons free zone in the North was a good beginning in disarmament efforts.

This is traditional Finnish foreign policy, originating from the country's position and its ties to the Soviet Union. On the other hand it is not Norwegian policy. We must therefore ask how the Center Party leader, Johan J. Jakobsen, could go along with such a statement. To be sure, Jakobsen told the press that his party agrees with official Norwegian policy, which is supported by an overwhelming majority of our country's population. Then we must ask again: What in the world was the purpose of this statement by the three center parties?

Within the framework of the Nordic Council, the countries and the political sister parties cooperate well on most questions of common interest. But in recognition of the fact that the Nordic countries have adopted different security policy lines, it is not considered good form to take up security policy questions in the Nordic Council. This would have more of a divisive than a cementing effect. The three center parties should have operated on the same recognition. We can with difficulty understand Vayrynen's motives, but the Norwegian Center Party must presumably been so full of Mesnalien that it did not know what it was doing.

9124

CSO: 3639/11

LABOR PARTY, CONSERVATIVE PAPERS DEBATE HOLST COMMENTS

Labor Party Backs Minister

Oslo ARBEIDERBLADET in Norwegian 16 Jan 87 p 4

[Editorial: "Official Business"]

[Text] Defense Minister Johan Jorgen Holst has encouraged the defense command to greater participation in the debate on the development of defense in Norway.

Holst has also stressed freedom of expression as one of the inalienable democratic rights the defense forces are, among other things, to defend. This right has naturally also already been ordered.

The conflict between the defense minister and the defense chief, Fredrik Bull-Hansen, does not therefore concern a muzzle for an official, but traffic rules between civil service practice and the use of freedom of speech.

In a lead article yesterday AFTENPOSTEN presented it as a campaign by the defense minister against the defense chief. An improper campaign, which, according to AFTENPOSTEN, has week by week undermined the defense chief's authority and dignity. It damages the daily work of defense and weakens the position of Norwegian officers in the continuing work in the alliance.

As if it were the defense chief who directed Norwegian defense and security policy. This is really turning the problem on its head.

This debate is very important. It must clarify matters, and it must be conducted openly. It serves no purpose to hide it, as AFTENPOSTEN urges the cabinet minister to do for the defense chief.

The debate has been objective and is being conducted by the defense minister together with repeated emphasis on professional respect and sympathy for the defense chief. This can hardly be called undermining Bull-Hansen's reputation and authority.

In his lecture at the Oslo Military Union recently, Holst said that it is not a professional military matter to evaluate the foreign policy challenges our country is facing, or how they shall be met. He said further that the policy of

the alliance and the attention to and delineation of Norwegian political positions and views in the alliance is obviously a political responsibility. The command staff and everyone else can have his opinions on this. But Holst concluded by saying that the limits he had drawn up should not become the object of direct or indirect public questioning or warning from the professional military authorities on official business.

One of the points the defense minister has taken up in relation to statements by the defense chief is that part of Bull-Hansen's lecture to the Oslo Military Union last fall, where he said that it would be a victory for the Soviet Union if the Nordic countries held back on questions of principle that concern the alliance. After this he predicted a gradual turn toward a neutral, Soviet-friendly course for these countries. AFTENPOSTEN interpreted this as a warning against footnotes in NATO. More concretely, the footnote in the communique from the defense minister meeting in May of last year which the government used for the formulation of space weapons research.

To this it can be said, among other things, that the American space weapons program is not a NATO matter. It was begun by President Reagan without consultations with the allies, in spite of the fact that it upsets the very basis for the present strategy of the West if it is carried out. The U.S. has later sought NATO support in its work with space weapons. The present government has declined once and another time contributed to limit the support to what is allowed within the ABM agreement. This has nothing to do with gradual neutrality. Nor should there be, on official business, criticism from the defense chief. This is the limit that Holst has established, and he is wise to do so.

'Polemical Campaign' Against Bull-Hansen

Oslo AFTENPOSTEN in Norwegian 28 Jan 87 p 2

[Editorial: "An Unwarranted Campaign"]

[Text] Through weekly attacks, in the form of articles, interviews, and lectures, Defense Minister Johan Jorgen Holst continues his polemical campaign against Defense Chief Fredrik Bull-Hansen and against what he considers to be political initiatives from the defense chief. This is taking place at the cost of our national interests: Norway is not served by having the defense chief's authority and reputation openly torn down week by week -- it damages the daily work of defense internally and weakens the position of Norwegian officers in the continuing work in the alliance. The prime minister should now step in and put a stop to it before more damage is done.

In reality the conflict has to do with two rather different questions. The first is the defense chief's presentation last fall of the unchanged version of "Defense Studies 1985" with the politically hardly practical wish for a real growth in defense expenditures of seven percent. A public presentation of alternative plans is also very welcome and very useful, even if it also should be accompanied by a will in defense for economy in the internal organization. The fact that the presentation came near the budget debate in time does not justify the great excitement.

More important however is that part of the conflict that has to do with the interpretation of security policy statements. Here the defense chief has done nothing more than point out -- in accordance with official Norwegian policy -- that there would be a significant gain for the Soviet Union if the Nordic NATO countries "could be convinced to hold back on principles that concern the alliance in order gradually to select a neutral course..."

As long as Norway's defense is based on a series of decisive foreign policy assumptions -- we cannot assure Norway's safety alone -- it is also the duty of the defense chief to point out what it means if these assumptions change or are changed. An example that shows that this can quickly become timely is the Norwegian civil servant group that the government wants to put down in order to facilitate a Nordic nuclear free zone: Is the defense chief to be cut off from expressing himself on the consequences of such a zone for NATO cooperation and for the defense of Norway? Is this part of the reason for the cabinet minister's anger?

We have noticed that he has support in parts of the labor movement for his attacks on the defense chief: One of the Labor Party's group secretaries in the Storting, Lars Fure, began the campaign with an article in ARBEIDERBLADET. In consideration of defense and of the country the prime minister should now blow the whistle.

Paper Hits 'Forced Silence'

Oslo AFTENPOSTEN in Norwegian 29 Jan 87 p 2

[Editorial: "Beyond All Reason"]

[Text] Is the military leadership to have permission, completely openly, to give advice and warnings to the politicians in matters that are of importance to defense? The debate on this important question has now lasted so many days that some of the participants have already forgotten what the matter is about. A malicious example is a small lead article in ARBEIDERBLADET, "Beyond the Limit." Now ARBEIDERBLADET's small lead articles are almost always malicious examples. When one attempts to express opinions without using arguments, the result is likely to be on the level of the attempt.

In "Beyond the Limit" the defense chief, Frederik Bull-Hansen, is urged to examine himself. He should read AFTENPOSTEN. There he will find, ARBEIDERBLADET says, that this matter is being used in a party politics game: AFTENPOSTEN's purpose is "to weaken the loyalty of the defense forces to the present government."

Now this cannot be taken seriously. A defense force with weakened loyalty means a defense force that is beginning to be disloyal. A disloyal defense force means a military force that sabotages orders or refuses to obey them. This, then, is what AFTENPOSTEN wants to bring about as part of a "party politics game"! We would prefer to think that ARBEIDERBLADET's lead article writer did not know what he was writing. That is the most gentle explanation. It is also the most probable one.

The real question in this matter is not at all who is to have the last word on the defense and security policy of the country. It is not whether we are to have democracy or junta conditions. To interpret something this way is to confuse the debate. There is no doubt about the division of responsibility. What it is about is only to what extent the leading officers should or should not participate in the general formation of opinion on the question of defense.

Nor should this be doubtful, either. In an open society free speech is generally to be preferred over forced silence. It is better to err on the side of freedom than on that of prohibition. But the matter has a purely practical side, in addition to the one of principle. Officers are professionals. They have a factual insight that other participants in the defense debate do not have to the same degree. The debate will therefore be poorer, less informed, without the participation of the military. To this extent defense policy is not different from other professional areas, whether they be social policy, school policy, or industrial policy.

The difference is that defense is the final instrument of power, held in readiness for a situation in which the existence of the state is threatened. In such a situation, internal disagreement must stop. But now, in time of peace, we are served by the freest possible debate on how defense needs can best be met. It is also our surest guarantee that peace will continue.

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NEWSPAPERS, DEFENSE MINISTER COMMENT ON BUDGET PRIORITIES

Liberal Paper Backs Budget

Stockholm DAGENS NYHETER in Swedish 15 Jan 87 p 2

[Editorial]

[Text] The defense agreement between the Social Democrats and the Liberal Party means an increase of 6.2 billion kronor for the 1987-92 five-year period--not per year, as we happened to write in our haste in Wednesday's newspaper. The evaluation that in its defense-political content the agreement must be perceived as reasonable remains, despite the sometimes intense criticism.

The question is what the opponents of the agreement had actually expected. On the one hand one can, particularly in Conservative newspapers, find long wish lists of everything that ought to have been included in a defense decision. On the other, there is an emphasis on the willingness for far-reaching concessions which is said to be present in both the Conservatives and the Center Party.

If the latter description is correct, it must be deplored that this willingness to compromise was not expressed until the Social Democrats had put in their final bids. Earlier Carl Bildt seems to have locked himself into the idea that an agreement should take place directly between him and Ingvar Carlsson. During the fall Karin Soder and Olof Johansson allowed the Center Party to assume the Conservative demand for more Viggen aircraft, which then became a decisive obstacle to the party's participation in the defense agreement.

It is not certain that a four-party agreement, objectively seen, would have been that much better for the defense. The level of appropriations might perhaps have been somewhat higher, but in return many--partly controversial--desiderata would have had to have been included in the framework. What has been lost is the desirable political rallying, but Carl Bildt's play as early as just before Christmas indicated that the Conservatives would scarcely take part in an agreement in which they were not able to determine the conditions.

There is still something unclear about the financing of the defense agreement, however. Something must in fact be wrong when the oil companies react so positively to the selling of the mandatory stockpiles. To be sure, the companies will pay 800 million annually in taxes, but apparently they count on making a higher profit from being able to sell the oil stores, which had been established with tax funds and with surcharges on consumer prices.

A certain skepticism is also justified in the matter of price reserves in the defense agreement. The 300 million kronor per year which were set aside to cover price increases could very well turn out to be insufficient. The possibilities of implementing the content of the defense agreement now depend to a large extent on the price compensation system which the Defense Committee has been charged with creating.

Since the defense costs will gradually increase over the next 5 years--as was demanded by the Conservatives and Center Party people--state revenue from higher oil and gasoline taxes will in some years exceed what is necessary in order to cover the defense spending. This seems to be a concession by the Liberal Party, and perhaps represents something of the financial belt-tightening which Kjell-Olof Feldt was prepared to plead for, at least last fall. A reduction in purchasing power is not without justification, but in that case a corresponding increase in the electricity tax is also required for reasons of competition.

Conservatives Wanted Greater Increase

Stockholm DAGENS NYHETER in Swedish 15 Jan 87 p 12

[Commentary by Sven Svensson: "Center Party Overestimated its Strength"]

[Text] The Center Party overestimated its position of strength in the defense negotiations. Prime Minister Ingvar Carlsson was not prepared for any add-ons in order to get the Center Party to consent to an agreement. When the non-socialist parties arrived at different alternatives, the Social Democrats were able to select the cheapest.

The agreement between the Social Democrats and the Liberal Party, which for many came as a bolt of lightning from a clear sky, means a basic economic level of 23,759 billion. In addition there is a 6.2 billion supplement over the five-year period. The Center Party demanded 6.8 billion extra and thought that Ingvar Carlsson would be so anxious to include the party in an agreement that he would change his mind.

Ingvar Carlsson had a tightly binding mandate from all levels of his party to stop at 6.2 billion when he concluded the party leader negotiations. Even this bid had strained the unity within the Social Democratic parliamentary group. Giving 6.2 billion more to military defense, at the same time as civilian total defense was cut back by 1.2 billion, was bitter medicine for many.

Ingvar Carlsson wanted a rapid defense decision in order to put an end to a painful internal debate. In fact, he wanted to have the decision even before presenting the budget. Ingvar Carlsson was afraid that the higher milk prices would have a negative effect on party opinion and make a defense agreement more difficult.

Four party leader discussions have been held regarding the defense. Before these discussions contacts took place between the three nonsocialist party leaders.

Carl Bildt and Bengt Westerberg met several times. Bengt Westerberg wanted the three nonsocialist parties to present a joint counterproposal to the government. From the beginning the government was prepared to increase the defense appropriations by 4.5-5 billion.

Carl Bildt's decision was that the Conservatives wanted to push their own policy. Acting Center leader Olof Johansson also stated that his party wanted to proceed on its own.

During the party leader discussion on 10 December the Liberal Party submitted a detailed paper, which above all placed greater emphasis on the Navy in the form of antisubmarine warfare and submarine protection. Later, the other two nonsocialist parties also made their demands precise.

Common to the parties was that they wanted to raise the defense appropriations by about 7 billion, but the way to do so differed.

The Conservatives wanted more fighter-model Viggens and more coastal corvettes. In this situation the Center Party also wanted to buy more Viggens, while the Liberal Party made better antisubmarine capability and improved submarine protection its priorities.

The nonsocialist opposition also had not been able to agree on how to finance a higher defense appropriation. Carl Bildt and Bengt Westerberg advocated savings in the municipal sector. Olof Johansson indicated higher taxes on energy as one alternative.

The administration therefore met with three counterparts, each one of which wanted to have his own profile. The easiest way for Ingvar Carlsson was to meet the demands of the Liberal party. The Social Democrats' and the Liberals' positions did not differ on any significant points.

It was clear last Saturday that the government would present a complete bid. Bengt Westerberg informed Olof Johansson of this. The Center leader got the message that important Liberal viewpoints had been taken into account.

The administration's written proposal with a step-wise increase in appropriations over the five years in question and proposals for financing through reduced oil stockpiling as well as increased taxes on energy was

submitted Monday afternoon. No contacts were then made between the three non-socialist parties. All of them were watching each another and waiting.

Not until 12:15 PM on Tuesday did Olof Johansson try to contact his two nonsocialist party leader colleagues in order to examine the possibilities of a rallying around the Center position of 6.8 billion.

This contact was made before a meeting of the Council of Center Party Delegates at 1 PM. At the same time the Liberal parliamentary group was meeting, which approved the agreement, even if there would only be agreement between the Social Democrats and the Liberal Party.

The Center Party established its position during the meeting of the council of delegates. The demand for an increase of 6.8 billion remained. The extra amount would lead to more orders of Viggen aircraft and more money to the Army.

The Center leadership calculated that Ingvar Carlsson would be so anxious to have a broad defense agreement that the Center position would become the natural four-party compromise. The Liberal Party would stand there with a long face.

But that was a grave miscalculation. The Social Democrats were very satisfied to arrive at a consensus with Bengt Westerberg, without the Center Party. The fact that the Center placed itself in the "Conservative cage" together with the Conservatives was in fact an excellent alibi for Ingvar Carlsson in his relationship with the disarmament faction of the party.

For Carl Bildt as well the outcome of the defense negotiations, which was to have been his major test as party leader, was embarrassing. Bildt dreamed that the defense issue, as in 1958, would be decided by a compromise between the right and the Social Democrats.

That time is past. First, the Liberals had decided early on to form its defense policy on their own, and, second, the Conservatives were not the right kind of company for Ingvar Carlsson. Bildt's speech in Boden was a reason for the administration to get rid of the Conservatives.

To Carl Bildt, who wants to appear as the major Swedish security policy man, the outcome of the defense negotiations is embarrassing from another aspect as well. Since Bengt Westerberg, according to the opinion polls, appears to be the natural nonsocialist candidate for prime minister, Carl Bildt should be the nonsocialist candidate for foreign minister.

If, for the first time in memory, a conservative should become Swedish foreign minister, he would not be able to start off his career with deep disagreement around the fundamental principles of the Swedish security policy. It will be difficult for Bildt to criticize the defense agreement sharply and then act credibly as Swedish foreign minister.

Newspapers Around Country Comment

Stockholm DAGENS NYHETER in Swedish 15 Jan 87 p 2

[Editorial Roundup: "Voices About the Defense Alliance"]

[Text] The agreement between the government and the Liberal Party strengthens the defense, GEFLE DAGBLAD (Liberal) maintains:

"The number of submarines increases from 12 to 14 and the next submarine series is moved up. Modern submarines are far more powerful in the defense against invasion than their predecessors. Submarines also have a major effect in the reconnaissance against foreign submarines in Swedish waters."

"Within the Army more funds will be allocated to training, where recent times have shown that the present economy does not work. The Army will finally get more helicopters for medical transports--an area which up to now has been very badly provided for. The Air Force's missile units will be more than doubled with longer ranges, which is judged particularly important for upper Norrland.

"Within the Air Force there will be increased spending on countermeasures against aircraft. The fighter version of Viggen and the JAS will get modern radar-guided air-to-air missiles through cooperation between Swedish and British industry.

"The concluded agreement has a very distinct Liberal profile. The Social Democrats did not just raise their original bid from 5 to 6.2 billion; they also chose to invest money in precisely the projects on which the Liberal Party placed special emphasis."

The higher allocations which the Liberal Party and the administration have agreed on are to be financed by reduced mandatory stockpiling of oil and with higher oil and gasoline taxes, OSTGOTA CORRESPONDENTEN points out:

"These tax increases are expected to yield more money than what is needed to cover the increased defense costs. It is calculated that 120 million kronor will be left over. Why not also use this money in order to strengthen the defense? These 120 million would probably have made it possible to reach an agreement with the Conservatives and Center Party as well. The distance to these two parties was not much greater than that. It is incomprehensible that this opportunity was not utilized by the administration during the party leader negotiations yesterday."

Now there will be speculations regarding cooperation between the Social Democrats and the Liberal Party, believes OSTGOTEN (Social Democratic):

"The fact is that the Social Democrats and the Liberal Party are close to one another on a large number of concrete issues--from abolition of the milk subsidies to energy policy and taxes--and it is perhaps not unlikely that we will see more agreements between the administration and the Liberal Party during the spring.

"The question is only how far Liberal leader Bengt Westerberg dares follow his objective convictions. After all, he is competing with the Conservatives for those voters who are more interested in a change of administration than in actual issues.

"Westerberg must anticipate a blast of accusations in SVENSKA DAGBLADET even after this agreement."

Bengt Westerberg chose to act as the government's angel to the rescue, in the opinion of NORRTELJE TIDNING (Center Party):

"His motive is inscrutable, unless he intended to initiate a new epoch of horse-trading in Swedish politics between the Social Democrats and the Liberal Party. Hints that such a deal is imminent have already been present as regards for example the milk subsidies, the maternity hospital fee and energy politics."

"Yesterday's defense agreement must be deplored from factual points of view. Although the differences in opinion between the parties are not dramatic, the Social Democrats and the Liberal Party have sacrificed essential portions of the defense."

The alliance parties, the Social Democrats and the Liberal Party, have now put a halt to the possibilities of establishing two complete antisubmarine forces, writes VASTERNNORRLANDS ALLEHANDA (Conservative):

"To us in Norrland this means that people in the sparsely populated regions must pay for a large part of the defense financing through higher oil and gasoline taxes, at the same time as the defense of the long Norrland coast is being neglected and we risk losing the regiments in this part of the country."

"And that takes place at the same time as we know, after the summer of 1986, that the Soviet Union has shown a very tangible interest in this part of Sweden, where only a single little surveillance boat exists along a stretch of 800 kilometers."

"We also know from last summer that nowadays the Russians often operate simultaneously within different areas of the country."

Social Democratic party strategists surely lean back in their chairs satisfied after the agreement with the Liberal Party, DALA-DEMOKRATEN (Social Democratic) believes.

"Now they have achieved nonsocialist disagreement and financed the defense appropriations."

"To be sure, it is being said that broad agreements on defense are urgent. They indicate national unity and outwardly display our democratic decisiveness. But there are limits to what these grandiose efforts may cost in terms of money."

"It is impossible to muster any enthusiasm over this agreement. The political value contained in the fact that the nonsocialists have temporarily been divided can rapidly pale if the costs are balanced against the budget debate about schools, milk prices and inadequate national pensions."

Minister Disparages Coastal Corvettes

Stockholm DAGENS NYHETER in Swedish 16 Jan 87 p 20

[Article by Anders Ohman: "Roine Carlsson Condemns Coastal Corvettes: Don't Waste Money on Big Heaps of Metal"]

[Text] A derogatory opinion of the Navy's coastal corvettes and personnel by Defense Minister Roine Carlsson has caused furious reaction by naval officers.

In a comment to the defense agreement the minister says that "large heaps of metal (coastal corvettes) in order for naval officers to parade on the bridge are nothing to waste money on."

A derogatory statement, not worthy of a defense minister of a democratic society, a naval officer tells DAGENS NYHETER.

Navy Chief Bengt Schuback met with Defense Minister Roine Carlsson for 2 1/2 hours on Thursday on account of the statement.

What has the naval officers' feelings all stirred up is an interview with the defense minister by labor press reporter Hans Larsson in Stockholm. The interview was made in Roine Carlsson's office Wednesday morning.

In the interview, which was distributed to about 20 newspapers and which was published in the newspaper ARBETET in Malmo, among other places, Roine Carlsson comments on the Social Democratic defense agreement with the Liberal Party, which gives the Armed Forces 6.2 billion extra over the coming 5 years. The agreement does not include a new Viggen division for the Air Force, also no new coastal corvettes beyond the six already decided on. In a commentary on the criticism aimed at the defense agreement on these two points, Roine Carlsson replies as follows:

Not Just Aircraft

"One cannot measure the strength of the defense merely in aircraft and ships. What we are now investing in, training, equipment and organization, has considerably greater impact."

Roine Carlsson pints out that Viggen is a past phase. "Now we are backing the JAS aircraft. I thought the Conservatives and Center Party had grasped that."

The coastal corvettes and the naval officers get the following marks from the defense minister:

"Big hunks of metal (coastal corvettes) in order for the naval officers to parade on the bridges are nothing to waste money on."

Someone who has reacted strongly to the defense minister's remark is Commander Christer Fredholm in Malmo, operational chief for the Navy in Oresund.

"I am both insulted and disturbed that the defense minister said this. It does not agree with the personnel policy a minister should have in a democratic society. It is unfair to the personnel who have struggled for several years with the antisubmarine warfare. Just as unfair is the evaluation of the coastal corvette, which internationally seen is a very powerful ship for its size."

Christer Fredholm is afraid that the defense minister's statement will have the result that personnel on board the ships of the coastal fleet will lose their edge.

"They have had a heck of a time. Worked day after day in all kinds of weather. Sacrificed family and leisure time. This remark is very unfortunate," Christer Fredholm tells DAGENS NYHETER.

Rear Admiral Claes Tornberg, chief of the Coastal Fleet, does "not understand" what the defense minister means. The two met as late as Friday of last week. The defense minister has also been on board the coastal corvettes during an exercise and knows the environment on board and the duties carried out by the personnel in the antisubmarine warfare.

"The coastal corvettes are among the world's most effective surface and antisubmarine ships for their size of about 500 tons. Other antisub frigates are more than 1,000 tons and upward. These are no hunks of metal--but good ships built by the Karlskrona Shipyard," says Claes Tornberg to DAGENS NYHETER.

As chief of the Coastal Fleet he is offended on behalf of his personnel. To speak in a derogatory way like the defense minister about "parading on the navigation bridges" has no foundation whatsoever. The true environment aboard the coastal corvettes is considerably tougher for the individual," says the chief of the Coastal Fleet.

Claes Tornberg is surprised at the tone of Roine Carlsson's comment.

"Previously I have valued Roine Carlsson's contributions. During all of his visits to the Coastal Fleet he showed himself to be interested and had a positive manner in approaching the problems. I am surprised," Claes Tornberg tells DAGENS NYHETER.

In his concluding comment to the labor press, Defense Minister Roine Carlsson says that Sweden already has a very strong defense. The Navy has greater competence today than 3, 4 years ago.

"Remember also that it is not just with the help of the Armed Forces that we protect our integrity. The foremost protection for our independence is and remains our foreign policy, with nonalignment and neutrality."

Throughout Thursday DAGENS NYHETER in vain sought Defense Minister Roine Carlsson several times for work opportunities in the United States [sic].

"I want to make it unequivocally clear that my remark about the coastal corvettes, naval officers and navigation bridges in no way reflects my opinion regarding naval officers, the materiel they operate or the urgent work they are performing." This was what Defense Minister Roine Carlsson stated in a press release Thursday with reference to his interview with the labor press.

"In the defense agreement we have set aside funds to study the opportunity of developing a new generation of ships for the Navy," Roine Carlsson writes.

Disbanding of Units Seen

Stockholm DAGENS NYHETER in Swedish 17 Jan 87 p 8

[Article by Sven Svensson: "Decision on Training in the Army"]

[Text] The special regiments may disappear in the proposal for a training system and peacetime organization in the Army which the Supreme Commander will present during 1988. The defense agreement between Social Democrats and Liberals means that Parliament will make a decision in principle regarding the system of training during the spring of 1989. Decisions about disbanding peacetime units will not come until 1992.

Various proposals for changes in the training in the Army have been presented but condemned, among them the study proposal to train three age classes in two years.

The present training system in the Army is not considered satisfactory. The decision between Social Democrats and Liberals means that the defense panel will charge the supreme commander with working out, together with parliamentary representatives, a proposal in principle about how Army training

is to take place and how the peacetime organization should be designed after 1992.

Main Question

The main question is whether Army training should be based on special service branches or brigade units. This concerns armored unit training in particular. The armored units are especially important to the defense of southern Sweden.

The question is whether it is economical to have special armored brigades or whether it is better to transfer the combat vehicles to infantry brigades, so-called mechanized units.

Infantry and armored vehicles could conceivably become the core of such mechanized units. In that case artillery, antiaircraft and service training, which now take place in special units, must also be moved there.

If this type of brigade unit is chosen, it means that the existing special units will disappear from the organization. The decision regarding which units are to be disbanded will not be taken until the 1992 defense decision, however.

The 1992 defense decision must also take a position on whether the purchase of a new tank will take place in Sweden or abroad. There is no money in the 1987-92 defense decision for such a major materiel order.

In his outline of principle the supreme commander must also take a stand on whether armored troops are to be trained for a longer time than other conscripts or whether, alternatively, they are to remain in the wartime organization longer than other conscripts. Armored troop training is expensive.

Reevaluation

In general the training system in the Army must be reevaluated in order to become both cheaper and more efficient. One variant is to introduce longer basic training for certain conscripts with special training and shorter training for others with orientation toward local defense units. With shorter basic training the alternative could instead be several brief refresher courses.

According to the defense agreement the military framework will gradually be increased from 13,760 million to 15,400 million in 1992, that is to say an increase of 1,640 million. The increase in purchasing power amounts to 6,200 million over five years.

For the 1992-97 five-year period the basic level will be 25,400 million, which means a guaranteed increase in purchasing power of 8,200 million. The new defense agreement in 1992 could increase the framework additionally.

The major increases in relation to the supreme commander's program plan refer to 1.5 billion for an air-to-air missile during the first five-year period and 2.1 billion during the second period. The JAS-Gripen gets 500 million during the first and 1.3 billion extra during the second five-year period.

The appropriation for Army training is raised by 700 million during the first five-year period and by 900 million during the second period, and in addition a pot of 1.8 billion is added during the second period which is called renewal of the Army.

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NAVY ADMITS MISTAKES MADE IN HANDLING SUB SIGHTING REPORTS

Stockholm SVENSKA DAGBLADET in Swedish 23 Jan 87 p 6

[Press Wire Service report]

[Text] In a report to the Attorney General (JK) Bengt Hamdahl, the head of the defense staff, Vice-Admiral Bror Stefenson admits that a few mistakes have been made in the naval preparedness.

During the summer of 1986, several cases were reported where private citizens had observed submarines or had suspected espionage on the part of foreign pleasure craft. Many of these observations got caught in the military bureaucracy and never reached the responsible military authorities or reached them very late. The Defense and the naval preparedness were criticized for passiveness and ineffectivity.

Last fall JK initiated an investigation which is now complete.

New Procedures

The defense staff has examined its procedures for receiving these kinds of reports.

"The incidents in question have resulted in certain changes in the way reports are handled," says Bror Stefenson in his reply to JK.

In the report to JK, the Supreme Commander of the Armed Forces (OB) states that several observations of suspicious incidents did not reach responsible military authorities in time. OB emphasized the urgency of reports being forwarded immediately to the commander who has the operational responsibility when they have reached the "wrong" unit or official.

OB himself mentions three examples where police and military authorities made mistakes:

A civilian reported suspicious foreign underwater activity to the crew of a police cruiser. The report was forwarded by mail to the military command in Boden, but it was sent to the wrong address. The police also informed the crew of a military patrol ship of the observations. The crew was content with the

information that the report had been mailed. It was not until five days after the observation that the military started to deal with the matter.

In the middle of July, the East Coast was visited by sailboats from East Germany. Pilots reported this via the telephone to the nearest naval base. The report was handled incorrectly at the base and was never forwarded to the police or the Coast Guard. Action was delayed for two days.

A civilian saw some mysterious divers. It was reported to the police. Several weeks later the military received a report. By that time the divers were gone.

JK Satisfied

The Attorney General, Bengt Hamdahl, is satisfied with the report from the defense staff. He assumes that the preparedness will function better this coming summer.

"There is nothing in the matter that requires action against the Navy on my part," states the Attorney General.

Bror Stefenson, who has improved the way reports are handled, does not believe that the mistakes of last summer meant a deterioration in the collective results of the submarine defense.

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CIVIL PREPAREDNESS DIRECTOR: ORGANIZATION ONLY ON PAPER

Stockholm SVENSKA DAGBLADET in Swedish 26 Jan 87 p 7

[Article by Sune Olofson: "Home Defense Organization Only Paper Construction"]

[Text] Sweden today does not have a functioning Civil Defense, which could alleviate people's worry, suffering and distress during a war or a disaster. The home defense organization which was to have started functioning in the communities on January 1, 1987 is still only a paper construction.

"We are faced with a choice, we must either decide to safeguard the civil preparedness or we must admit that we can only offer a limited preparedness. And in that case, we expose ourselves to great risks if anything unpleasant occurs," says Director General Gunnar Nordbeck, head of the National Board for Civil Preparedness (OCB).

Bullets and Gunpowder

Defense Minister Roine Carlsson says something entirely different in a newspaper published by OCB:

"We have good preparedness within the entire defense system."

In the Vietnam war, 87 percent of the casualties were civilians. In the war in Lebanon 97 percent are civilians according to the Peace Research Institute, SIPRI.

The defense debate deals almost exclusively with bullets and gunpowder. But there is another reality. How does Sweden protect its own population when the war comes?

The civil preparedness has a budget which is only one tenth of the cost of the military defense. The Supreme Commander of the Armed Forces (OB) Bengt Gustafsson said in an interview with the SVENSKA DAGBLADET that the military defense needs a grace period of two weeks in the case of a war situation.

"The Civil Defense needs a grace period of two months for important conversion measures. I have reason to be worried," says Gunnar Nordbeck.

It was decided in 1982 that the communities were to plan and implement the civil defense in both war and peace. The question was discussed for three years. The so-called home defense should have been implemented on July 1, 1986, but was postponed until January 1, 1987.

"Today most of the communities have established their plans, but most of them are only on paper," says Hans Franzen of the Civil Defense Federation.

The country has been divided into 8,000 home defense areas. These areas require 100,000 home defense deputies who are to be recruited as volunteers by the Civil Defense Associations.

A home defense deputy is supposed to participate in fire-fighting operations, give first-aid for accidents, fix water leaks, help with evacuations, distribute protective masks and allot spaces in bomb shelters.

"So far only 1,500 of the 100,000 home defense deputies have been recruited," says Daniel Bildt, assistant secretary-general in Sweden's Civil Defense Federation.

"And that's not bad," he says. "In another five years we will probably get together 30,000 home defense deputies. But I admit that we do not have a functioning civil defense preparedness today. The politicians don't care. The will is lacking. Awareness of the Civil Defense must emerge."

Goran Eriksson is home defense group chief in the community of Vallentuna:

"The communal civil defense organization is a paper tiger. We don't even know what type of crises we are supposed to handle. If the nuclear power plant in Forsmark blows, how are we supposed to act? What kind of equipment do we have?"

There are supposed to be 500 home defense deputies in Vallentuna.

"Not a single deputy has signed the contract."

Goran Eriksson's task is to knock on doors and recruit home defense deputies.

"People balk when they see the contract. There are no carrots in the system. And people have to become members of the Civil Defense Association in order to become home defense deputies."

Spare Parts Lacking

2.6 million bomb shelter spaces are lacking in Sweden today. 500,000 people in Stockholm have no shelter when the war comes. 30 percent of Sweden's grown population have no protective masks, 23 percent of the 3 to 4-year olds and 75 percent of the 1 to 2-year olds lack so-called protective jackets. And every child under one year of age lacks a defense bag.

"The 150,000 persons who are supposed to function as rescue units when chemical weapons have been used are completely lacking in protective boots, protective

clothing and indicator devices," says Lars Aseby at the National Rescue Department in Karlstad.

The compressors necessary for entering demolished buildings lack spare parts.

Deplorable Contents

"All the civilian 'soldiers' who are needed to fight a fire in an apartment building, for instance, will have to count on fighting the fire in their own jackets. We have no clothing that protects against heat. Our organization looks good on paper, but the contents are deplorable," says Lars Aseby.

The general population today does not know where it is supposed to go in the event of a war or disaster. Information signs in stairways and entryhalls are lacking.

"Not until five years from now will all the signs be in place," says Kurt Elvingsson, chief of information at the National Rescue Department.

When the SVENSKA DAGBLADET asks Gunnar Nordbeck to specify "considerable deficiencies," he gives the following information:

The medical treatment. The supply of drugs is distressing and there is a lack of disposable materiel, syringes for instance.

The electrical power. District heating has been expanded without regard for the needs of civil defense.

The telecommunications system. The new AXE-switching centers are very vulnerable to sabotage. They are also not able to sound the alarm via the telephones in the homes. The old system could do that.

The dependency on computers. Payment of wages and industrial production is, to a large extent, governed by computers. A return to manual procedures is on the whole impossible. The computer society requires computer chips, electronic components. The supply of chips is insufficient.

It is in this light that the Social Democrats' and the Liberal Party's defense agreement must be viewed. 40 percent of allocation for enlargement of bomb shelters will disappear, materiel acquisition is reduced by 25 percent. The Civil Defense loses a total of 1.9 billion kronor in a five year period compared to the original parameters.

12339

CSO:3650/56

COMMUNIST PARTY URGES 'DECENTRALIZED' DEFENSE STRUCTURE

Stockholm SVENSKA DAGBLADET in Swedish 23 Jan 87 p 8

[Article by Elisabeth Crona: "Left-Wing Communist Party Motion. Make The Defense Less Vulnerable"]

[Text] The Left-Wing Communist Party (VPK) suggests a decentralized defense, where the various parts are able to function independently in a disaster or war situation.

The Social Democrats' defense agreement with the Liberal Party is poor, according to the VPK. If they had wanted to increase the deterrent effect, much larger efforts would have been necessary, something close to what the Supreme Commander and the Moderates have suggested.

Cannot Be Accomplished

But since the economic scope is lacking, the proposals from the military leadership and the Moderates cannot be accomplished, according to the VPK. They can only be accomplished if Sweden's military defense is seen as an integral part of NATO, as a protection on the flank of that pact, intended to hold out during the days the United States needs to get ready in Denmark and Norway.

VPK asks what Sweden would look like after a week of assaults, and provides the answer:

No Groceries

"Medical care will cease to function. There will be no electricity and transportation will come to a standstill. There will be no food for the people. All important computerbased functions in the society will be eliminated."

The military organization ought to be revamped from the ground up, according to the VPK and be reorganized into smaller units. Their provisions should be anchored in the region and be independent of supplies from other parts of the country. VPK considers in its party motion that only in this way will Sweden be able to afford to maintain a total defense that would create some respect and which would have some deterrent effect.

Civil Defense

The party is very critical of the plans for reducing the allocations to Civil Defense; the civilian sector is an important part of the defense, if you want a democratic folk defense, large systems and superpower copies.

VPK says that Sweden is now directing its efforts towards a gigantic Air Force which an enemy will direct all its efforts to eliminate. Where will spare parts come from in such a situation? The Vietnam war has taught us that large systems are easy to eliminate. The VPK group in the parliament consists of both conscientious objectors as well as persons with long careers in defense.

Werner First

Lars Werner, the party's leader, once signed a conference motion about disarmament, but now his is the first name on the motion that wants to give Sweden a less vulnerable defense.

12339

CSO:3650/56

SERIOUS SITUATION FORESEEN IN DELAYING NEW TANK ACQUISITION

Stockholm VART FORSVAR in Swedish Nos 9-10, 1986 pp 5-7

[Article by Brigadier General Bjorn Zickerman, former inspector of armored troops; slantlines indicate emphasis]

[Text] In the preparatory work leading up to the 1982 defense decision, the 1978 Defense Committee stated that it was essential to modernize and, if possible, increase the number of units especially trained and equipped for combat in northern Sweden. "In the southern and central parts of the country, in addition to infantry units, /mechanized units for offensive operations/ are also needed. Like the OB [supreme commander of the Armed Forces], the Defense Committee feels that the number of mechanized units should be increased."

In the light of the Defense Committee's policy (and later the 1982 defense decision), the Army Staff began studies concerned with light (splinter-protected) combat vehicles and so-called light combat vehicle units.

For reasons of secrecy, it is impossible of course to report the results here. But in light of the discussion now going on in the foreign specialized press concerning "the combat vehicle family of the future," a few general ideas can be made public.

Future Threat

An aggressor will be able to make good use of reconnaissance equipment, highly accurate weapon systems for operations against point targets, and area weapon systems.

He will have increasingly better chances for detecting targets around the clock and better chances for attacking the targets detected. He will have mechanized units with great firepower, a high level of protection and good cross-country mobility, airborne and helicopter-borne units, and amphibious units.

An aggressor will attack over a wide front and in great depth, with his Army receiving cooperation and support from aircraft, attack and antitank helicopters, and artillery. He will attempt to evade the stronger resisting

forces and to penetrate our territory in depth so as to knock out our command organization, artillery, and maintenance units, thereby making it difficult or impossible for us to continue to resist.

His airborne units will be equipped with light combat vehicles (armed with automatic guns and antitank missiles) and supported by strike aircraft, attack helicopters, and air-dropped artillery. They will have great strategic, operational, and tactical mobility and considerable defensive firepower.

The future threat will make very special demands on the ability of our units to /survive/ on the battlefield long enough to be effective (that is, to take offensive action).

Tactical Combat Situations

In light of the future threat, there are primarily three types of tactical combat situations deserving special study. They involve operations against:

1. Airborne units with light combat vehicles.
2. Amphibious landing units with armed amphibious vehicles and, at first, a limited number of tanks.
3. An enemy forcing his way forward from a beachhead with a large number of tanks and other combat vehicles.

In the context of those combat situations, our combat vehicle units must be able to take action against the following /types of targets/, among others:

1. Light combat vehicles and the unprotected troops associated with them.
2. Attack, antitank, and transport helicopters.
3. Tanks with modern armor protection and great tactical mobility.

In addition, special artillery units for combating the aggressor's supporting mortar, artillery, and artillery rocket units and advanced anti-aircraft defenses for combating strike aircraft and surface-to-surface (or sea) missiles will be required.

Combat Vehicle Armament

Completely new and revolutionary weapon systems--examples being beam weapons, electromagnetic guns, and kinetic-energy supersonic missiles--will probably not be operational before the year 2000.

In developing new combat vehicles, therefore, we must allow for weapon systems whose effect on their targets will be produced by kinetic energy (KE), conventional high explosives (HE), or shaped charges. The two last-named effects can be combined in a single shell, known as a multipurpose shell, for use against either unprotected troops or armored vehicles.

Scarcely any weapon system provides optimal effect against all the target types under discussion here. Only antitank missiles and heavy high-pressure guns can be used against the most difficult target--a modern tank with a high level of protection.

A short time of flight, a high probability of destruction with the first shot, a high rate and sustainability of fire, all-around effectiveness against all target types, and low ammunition costs are the chief arguments clearly favoring high-pressure guns over missiles as the main armament for combat vehicles.

But the light roof-piercing antitank missile is still a suitable antitank weapon for the infantry. Heavy antitank missiles should be used primarily against combat vehicles at distances of over 2,000 meters.

If modern tanks are to be attacked from the front with acceptable effect, the high-pressure gun should have a caliber of at least 12cm. The 10.5cm gun can still be used against older tanks, but also against modern tanks, primarily from the side, although this would require advanced sighting equipment.

The high-pressure gun is also suitable for use with multipurpose shells against light combat vehicles and unprotected troops. It is probably of limited use against helicopters. But it is probably possible technically to develop special so-called antihelicopter shells for that purpose.

In principle, however, heavy high-pressure guns should be used chiefly against an attacker's tanks. Combat vehicles using that weapon system should not be used against other types of targets. That task can be taken over by light automatic guns with calibers of from 25 to 30mm, which are suitable for use against both light combat vehicles and unprotected troops. If those automatic guns are also to be used against helicopters, the caliber should be increased to from 40 to 60mm.

Antitank missiles are suitable for use against light combat vehicles, but not against unprotected troops or helicopters.

It is clear from the foreign specialized press that plans exist for developing a "multipurpose missile" for use against both combat vehicles and helicopters. It would be mounted on a combat vehicle with a platform that can be raised and lowered.

It should also be possible to transport troops in combat vehicles armed with light automatic guns. Whether their armament should also include antitank missiles for use against tanks is doubtful. That would complicate not only tactical command of the combat vehicle but also the conduct of fire.

The FRG is currently considering an armored personnel carrier with a 25mm or 30mm automatic gun for its mechanized infantry and a tank destroyer fitted with a 12cm smoothbore cannon (weighing about 30 metric tons) as alternatives to its Marder mechanized infantry combat vehicle [MICV], which carries a combination of weapons.

In other countries as well, there seems to be an interest in arming relatively light combat vehicles with heavy high-pressure guns instead of antitank missiles. It is not out of the question, therefore, that airborne mechanized units may also be equipped with similar combat vehicles in the future.

Survival of Combat Vehicles

The one who detects first, shoots first, and hits first with sufficient effect has a greater chance of surviving on the battlefield than the one who responds. The /probability of destruction with the first shot/ must therefore be assigned priority in the design of combat vehicles. Tactical and technical requirements with respect to sights, weapons, and ammunition /must/ be met.

The ability to /avoid detection/ is also of the greatest importance to survival. This means, for example, camouflage and correct use of the cover and protection provided by terrain, artillery fire, smoke blankets, and so on.

/Rapid acceleration and high speed/ (tactical mobility) are a requirement in order to reduce the amount of time one is exposed to enemy fire.

A high degree of tactical mobility would probably be the best protection against antitank fire, for example. Regardless of all those measures, a combat vehicle runs the risk of being hit sooner or later.

When that happens, the vehicle's ability to survive will be determined by its own protective features. Combat vehicles and combat vehicle units whose /main mission is offensive/ must be provided with adequate protection against small-bore fire, shellfire, and fire from light automatic guns. They should also be provided with the best possible protection from antitank missiles and fire from heavy tank guns. This applies not only to attacking tanks but also to MICV's and other units participating in the attack.

The development of armor protection in the form of composite and active armor has, for a given weight, substantially improved the ability of combat vehicles to survive the fire from antitank weapons in particular, which are based on shaped-charge technology. Despite the development of modern armor protection, we should expect combat vehicles /with a high level of protection/ to become relatively heavy (around 55 tons in the case of tanks and about 40 tons in the case of MICV's).

But this does not mean that they cannot be provided with rapid acceleration and high speed on the battlefield. Today's heavy tanks--for example, the Leopard-2 and the Abrams (M-1)--have top speeds of over 70 km/hr, and that makes them faster than many so-called light combat vehicles.

The requirement for great tactical mobility does not eliminate the requirement for a high level of protection or vice versa, but mobility and protection both cost money. The question is which risks we can accept without losing credibility as far as the capability of our combat vehicles is concerned.

Light Combat Vehicle Units

Studies will enable us to organize combat vehicle units and test them with tactical games and computer games in the context of the above-mentioned tactical combat situations and in terrain that is representative not only of "the southern and central parts of the country" but also of Upper Norrland.

For example, we could design a light combat vehicle for /one/ main role--antitank operations (Ppv) or APC (Pbv), for example. A vehicle for /several/ roles--antitank operations and troop transport, for example--could also be designed.

We could organize light combat vehicle units consisting of two or more combat vehicles with various missions (a combat vehicle family) or a single "standard vehicle"--for example, an APC with antitank missiles in combination with a 40mm automatic gun or the "cheapest alternative," which is an APC armed with a 25mm automatic gun and portable antitank missiles "for outdoor use."

We could then compare those alternative units with each other and with a unit with which we have a lot of practical experience, an example being the current armored battalion consisting of STRV-103-C's or STRV-104's (10.5mm guns) and Pbv-302's (refitted with 25mm or 30mm antiaircraft guns). That armored battalion can also be manipulated in computer games to give the STRV's and Pbv's a better probability of first-shot destruction (better sights with 12cm guns and 40mm AA guns respectively) and improved mobility and protection.

A comparison of cost effectiveness between the various so-called light combat vehicle units would provide information essentially on two points:

1. The superiority of the gun alternatives in comparison with the missile alternatives in operations against both heavy tanks and light combat vehicles.
2. The decisive importance of armor protection.

The infantry, which is forced to leave its combat vehicle (its protection) in order to attack armor with portable antitank weapons, runs the risk of being held down or knocked out by the opponent's shellfire. Units such as these provide little additional effect in current combat situations.

Light combat vehicle units with heavy high-pressure guns and light automatic guns can inflict many casualties on an opponent, but run the risk of suffering many casualties themselves if they attack--for example--an air-dropped enemy force that is also using light combat vehicles, since they will lack adequate protection not only from heavy high-pressure guns and missiles but also from antitank rockets and 30mm automatic guns.

Using light combat vehicle units of this kind to attack an opponent equipped with modern tanks must be seen as being out of the question.

All light combat vehicle units would be worse in given tactical combat situations than today's armored battalion, provided that the Pbv's are

refitted with 25mm or 30mm automatic guns. Thanks to its armor protection (including outer protection in the form of active armor), the armored battalion is better able to attack and defeat airborne units with light combat vehicles and to repel an amphibious landing at an early stage, while the attacker is still able to deploy only a limited number of tanks.

But in my opinion, even that battalion lacks the ability to attack and /defeat/ an opponent who is advancing on the ground with modern tanks and other combat vehicles with a high level of protection.

In my opinion--and in that of many others--a weapon system with a 12cm high-pressure gun ought to be procured as quickly as possible. This need can be met in one of the following ways:

1. By refitting an older tank with a different weapon.
2. With a light self-propelled antitank gun (weighing about 30 tons).
3. With a new tank incorporating a high level of protection and great tactical mobility.

Since the first two alternatives lack the necessary attack capability, procurement of a /new tank/ is recommended. In the long run, that would probably also be the most economic alternative as far as combat is concerned.

Provided that a new tank is procured for the armored units, older tanks should be transferred to the mechanized units, and an APC, which might also carry an automatic gun in the caliber range of 40 to 60mm, should be procured as the basic design even for other types of combat vehicles (a combat vehicle family).

/If/, on the other hand, a new tank is not procured, a light self-propelled antitank gun with a 12cm high-pressure gun for the mechanized units should take priority over an APC with a 40mm to 60mm automatic gun.

But a decision of that kind would mean that the armored brigades--the Army's most effective units--would eventually be eliminated.

During the 1970's and 1980's, the Army has postponed the tank issue and concentrated instead on defensive weapon systems such as antitank missiles, light combat vehicles, and, most recently, so-called indirect antitank fire.

The tank issue has now been postponed until the 1992 defense decision. In all probability, the Army will not have a new tank in operation before the year 2000. In my opinion, this means that our ability to repel an invasion of the heavily populated central and southern parts of the country (which have about 90 percent of the population) will deteriorate seriously during the 1990's.

11798
CSO: 3650/57

REFORMS SEEN NECESSARY FOR PSYCHOLOGICAL DEFENSE ORGANIZATION

Stockholm VART FORSVAR in Swedish Nos 9-10, 1986 p 9

[Article by Anders H. Pers, editor in chief of the VESTMANLANDS LANS TIDNING and member of the boards of the Press Wire Service, Inc. and the Newspaper Publishers Association; first paragraph is VART FORSVAR introduction]

[Text] The essence of psychological defense is not always easy to grasp, as is shown by the World War II episode that is related below.

The Swedish defense command suspected in the very early stages of the war that foreign spies--and perhaps their sympathizers--were trying to learn about defense installations, troop movements, and other aspects of the nation's security by simply asking people if they knew anything relating to defense.

Under the leadership of the Army commander in chief, therefore, a group of journalists and advertising experts was recruited to quickly work out a campaign aimed at getting Sweden to keep its mouth shut. It was mainly a matter of coming up with slogans that could be etched into the Swedish national psyche by putting up posters all over the country.

After a few hours of fruitless effort in an increasingly smoke-filled room in Stockholm to find the right formula, one young advertising genius suddenly rose out of a pile of rejected poster sketches to cry: "I have it, I have it!"

He grabbed a blue and a yellow crayon, drew a blue-and-yellow-striped tiger, and wrote under it the appeal that has been a classic ever since: "A Swede keeps silent!" [A play on words: the phrase also means "A Swedish tiger!"]

There was rejoicing in Capernaum! Cheered on enthusiastically by his colleagues, he rushed in to see the ski general, who was Ivar Holmquist, no less. He spread out his original sketch on the general's desk and waited anxiously for the reaction from the Army's top commander.

It was not long in coming:

"Excellent, excellent. But say, wouldn't it be better to use a genuine Swedish roaring lion instead of that tiger?"

More on the Way

Naturally, a lot of knowledge concerning psychological defense has been stored up since that scene took place.

And more is on the way.

As we write these lines, for example, former Ambassador Sverker Astrom has just made a welcome, though belated, contribution to today's psychological defense by stating unequivocally--if we are to judge by reports--that the Russians are responsible for the submarine intrusions along our coast.

In the early 1960's, during his time as head of the Political Department in the Ministry of Foreign Affairs, Sverker Astrom was often seen sweeping across the Riks Bridge on his way to the Government Office to give his budding pupil, Olof Palme, private lessons in the various skills of foreign policy.

Since then, hardly anyone has accused Sverker Astrom of being a lackey of the NATO Alliance. So his current statement takes on special weight and may help dispel the feeling that "maybe it isn't the Russians after all"--a feeling that has recently been a weak spot in our psychological armor.

Swedish Tigers

The submarine incidents illustrate how anyone interested in psychological defense either professionally or for some other reason--for the purpose of exposing or clearing away propaganda, for example--has had more to chew on in recent years than in the past. This has been happening at the same time that more actors have been cropping up on the international news scene, each with his own goals and methods.

No one today seems especially eager to ridicule or resent psychological defense. Instead, one can assume that it would be quite easy to interest professional persuaders in sketching Swedish tigers for our own day as an exercise in testing one part of our psychological defense.

Without reasonably realistic exercises, on the other hand, psychological defense appears, like other forms of defense, to be fairly useless. The uninitiated often find the purely organizational training periods a trifle pointless.

The big Jonas underground exercise and a number of sporadic subsequent experiences have at least taught me one thing, and that is how nonplussed even news people are by real surprises. When ingrained routine is suddenly no longer sufficient for cutting a knot, we compensate for inaction by fussily banging our fists on the table.

In a crisis situation, therefore, it may turn out that the traditional team of TV executives, advertising executives, press agency journalists, and administrative heads who seem to have a great deal to say about the tactics and strategy of psychological defense in peacetime may have to make room for

others. Perhaps we will have to prepare a place for more nimble talent in the struggle to gain the confidence and solidarity of Swedish and foreign public opinion.

In other words, recruitment for psychological defense may have to be extended beyond the usual circle of experts.

But presumably more important for an assessment of the strengths and weaknesses of Swedish psychological defense than the comments we ourselves can offer are the observations which foreign experts could make--and which, presumably, they are already making--as guidance for further work in psychological defense.

In conclusion: the scarcely discernible connection today between the operational leadership of psychological defense and the government party does not need to be further strengthened. The ability to take a cool look at the usefulness of government policy in psychological defense is probably the first prerequisite for its success.

11798

CSO: 3650/57

MINISTER, OPPOSITION LEADERS, PAPER ON COOPERATION WITH OPEC

Minister Explains Production Policy

Oslo AFTENPOSTEN in Norwegian 14 Jan 87 p 35

[Article by Morten Woldsdal: "Norway Supports OPEC -- Sinks Oil Production"]

[Text] The Norwegian government is now stepping up its cooperation with OPEC. The government will reduce the Norwegian oil production by 7.5 percent to support OPEC's efforts to raise oil prices. In spite of this measure, Norwegian oil production will be greater this year than last. For Norway therefore it is only a matter of limiting a planned growth.

Oil and Energy Minister Arne Oien said at a press conference in Oslo yesterday that the reduction corresponds to about 80,000 barrels of oil a day. The measure will at the start apply from 1 February through the first half of 1987. The oil held back during this period has a gross value of about 1.5 billion kroner.

When production is reduced by 7.5 percent, it means an export reduction of 8.5 percent, because the oil that goes to domestic use is held out. The reduction is carried out with the same percentage in all areas. The measure is a followup of the temporary export limitation of 10 percent in November and December of last year.

Even if Norway now reduces, the Norwegian oil production will still be higher than last year because of production at the new Gullfaks field together with an increase at the Statfjord field.

"The Norwegian oil production will increase according to plan in the years to come. For Norway therefore it is a question of limiting the growth to contribute to the stabilization of oil prices," Oien said.

He stressed that Norway can on very short notice stop its efforts if the OPEC countries do not comply in the main with the agreement of December of last year. Oien made it clear that Norway does not want to introduce steady oil prices such as OPEC decided upon.

The government's production decision had no noticeable effects on oil prices yesterday. This was not expected, either, for the market had already discounted

the decision. The price of North Sea oil held at about 18.75 dollars a barrel.

Oil and Energy Minister Arne Oien thinks that Norway's contribution may be psychologically important for oil prices in the future. He said that the prices will probably remain at about 18 dollars a barrel through the winter, but that there is considerable uncertainty about price developments after this time. Oien said that there could be a new fall in oil prices after the decline in winter demand.

The OPEC countries will welcome the Norwegian decision. They consider it to be very important that an industrial country such as Norway cooperates in such a way with the organization. Oien said that Saudi-Arabia's oil minister, Hisham Nazer, will visit Norway at the end of next week. It is the first time that Nazer will meet representatives of the Norwegian government.

But the enthusiasm is not as great in other countries. Oien said that on Monday he informed the U.S. ambassador in Oslo and the British energy minister about the reduction of production. "The American authorities have told us that they would have preferred for us not to have entered the agreement. But I would not characterize the American communication as pressure," Oien said.

Oil Companies Awaiting Developments

Oslo AFTENPOSTEN in Norwegian 14 Jan 87 p 35

[Text] For the time being, the oil companies are being careful not to criticize the government's decision to reduce oil production. But it is clear that most companies are not happy to have such a reduction forced upon them, because it effects their income.

The companies now have ten days to make their opinions known. Oil and Energy Minister Arne Oien made it clear at yesterday's press conference that this round of hearings will be carried out because of the text in the petroleum law.

Must Have Strong Arguments

Oien did not think that there will be significant changes in what he called "a draft for a decision" on the basis of the statements at the hearing. "The oil companies must have strong arguments if changes are to be made," Oien said. He would not rule out "moderate modifications."

Up to now, Norsk Hydro is the only company that has in the beginning taken a positive position toward the government's decision: "Just on principle we think that it is positive for Norway to contribute to the maintenance of a certain price level," Information Chief Tor Steinum said. He thinks that Norwegian cooperation such as this will have a positive psychological significance for oil prices.

Negative

On the other hand, Information Chief Sander Y. Gull-Gjertsen of Phillips Petroleum, the operator of Ekofisk field, is negative to the Norwegian step. He points out that oil and gas production at Ekofisk this year will be reduced by 17 percent because of jacking-up work to be done this summer and a generally sinking production curve. "With this additional burden from the government, production this year will go down by a whole 25 percent," Bull-Gjertsen said.

He thinks this puts Ekofisk in a special position, and he says it will be unfair if the authorities are unwilling to discuss changes in the order. Bull-Gjertsen also says that a reduction such as this may weaken confidence in Norway as a gas nation on the continent.

The administrative director of the BP oil company, Ola Wattne, is also negative. BP operates the little Ula oil field all the way south in the North Sea. "With today's oil prices Ula is already showing a loss. A reduction in production such as this will make an already bad economic situation worse," Wattne said.

Willoch Voices Reservations

Oslo AFTENPOSTEN in Norwegian 14 Jan 87 p 35

[Article by Morten Malmo: "Norway is Bound"]

[Text] "After the statements by the Norwegian government, Norway is morally bound to carry out a limitation of oil production now," the leader of the Storting's Foreign Affairs Committee, Kare Willoch (Conservative Party) said. The same comment on the government's decision was made by the parliamentary leaders in the Christian People's Party and the Center Party, Kjell Magne Bondevik and Johan Buttedahl.

Willoch pointed out to AFTENPOSTEN that on the basis of what has happened in meetings in OPEC it seems as if there are quite different circumstances than the Norwegian actions that in reality have had great significance for the situation today. "This does not give us great freedom of action now. We would have preferred a somewhat less concretely obligating agreement earlier, even if it would have to have been clear that Norway must stress that it will neither oppose nor profit inordinately from measures limiting production," Willoch said.

Willoch, Bondevik, and Buttedahl strongly emphasize that Norway cannot be expected later automatically to follow OPEC's lead. Bondevik and Buttedahl point out also that Norway must watch carefully to see whether the OPEC countries themselves comply with the established production limitations.

"The reason that no parallel can be expected between Norway and OPEC is that it costs a lot more to limit production in our expensive equipment than in the cheaper equipment in the OPEC countries," Willoch said. Bondevik also stressed this aspect. Willoch added: "I must add that I do not agree that such low oil

prices as we have had have been in the interest of the Western world. Too low oil prices weaken the development of new production capacity outside of OPEC and in the long run makes the West more dependent on the OPEC countries. I can therefore not agree either that measures to raise oil prices are in conflict with our allies' real interests in the long run."

Common Interests With OPEC

Oslo AFTENPOSTEN in Norwegian 15 Jan 87 p 2

[Editorial]

[Text] Norway is not reducing oil production, we are just making the increase a little less than it would have been. And the decision is our own, not OPEC's. Still, it is an important step the Norwegian government is taking when it turns off the tap at the same time that OPEC puts down quotas to drive up prices. This means that Norway sees itself more as an oil country than an industrial country. In any case some people in the part of the world we belong to will interpret it this way. What we do and the way we do it therefore has significance far beyond our actual influence on oil prices (which presumably is quite modest).

Now Norway stands in a very special situation: We are possibly the only industrial country that is dependent upon oil income. For the other large North Sea producer, Great Britain, it is an open question what is to be preferred, a high or a low price level. Cynical Britons like to say that the nation is served by low oil prices, the politicians by high ones. But neither does it blow a hole in the national budget of Britain when oil income declines. Industrial income grows all the more. But in Norway the arithmetic is not so balanced. At any rate in the short run we lose much more than we gain when oil prices decline. We have a practical need to contribute to the maintenance of a stable price level, that is, reasonably high.

To this extent, the OPEC countries and Norway have common interests, and here we must arrange things so that it is easier to reach common goals. This presupposes steady contact and a good acquaintance with each other. It is a practical question, not an ideological one.

Norway wants predictability, but also free trade. There are therefore several reasons why we can only join our oil policy with that of OPEC's to a limited extent. For one thing, the organization is fragile. Its members have had a tendency to exceed agreed-upon quotas and to undercut agreed-upon prices. For another, Norway's oil production is different from, for example, that of the Middle East, with larger investments and longer development time. We cannot close and open and close again in the same way. An important factor is also that it is not the state, but independent oil companies that are responsible for production in the Norwegian continental shelf. They must know what they have to abide by.

Oil Sales Figures Released

Oslo AFTENPOSTEN in Norwegian 22 Jan 87 p 43

[Text] The sale of petroleum products in 1986 amounted to 8,968 million liters, according to preliminary figures from the Statistical Central Bureau. This is an increase of eight percent from 1985.

Almost half of the growth comes from the sale of automobile gasoline and automobile diesel oil, which increased 6.8 and 12.6 percent respectively.

The strong growth in the sale of heavy oil from 1985 to 1986 of 15.5 percent is first of all because the wood refining industry replaced random power with heavy oil. The sale of fuel paraffin, fuel oil number 1 and number 2, went up by 6.1 percent.

The domestic sale of naval gas oil and naval diesel oil was about the same in 1986 as in 1985.

The sale of petroleum products in December 1986 amounted to 817 million liters, an increase of 5.5 percent in comparison with December 1985. The sale of automobile gasoline went up by 12.9 percent.

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DIFFERENT ENERGY SOURCES PROVIDE GOOD SUPPLY

Stockholm SVENSKA DAGBLADET in Swedish 25 Jan 87 p 9

[Article by Bodil Wallin: "An Energy Crisis In Sweden Starts A Complicated Apparatus"]

[Text] Since July 1985, the communities and the National Rescue Department have taken over the responsibility for the civilian population which formerly belonged to the Civil Defense.

If the country suffers energy problems during an emergency situation, the Electricity Supply Board will come into function. Its chairman is Carl-Erik Nyquist, director-general of Vattenfall. In peace time the preparedness section of Vattenfall acts as the Board's office.

Furthermore, Vattenfall wants to divide Sweden into regions, each with its own responsibility for its part of the country. Stockholm would then constitute one "electricity block" with Stockholm Energy as the responsible authority.

In peace time, however, the question of responsibility is not as easy to figure out. Since last year, the communities are responsible and the tasks are divided among the various administrations.

"Stockholm, as well as the rest of the country, has a fairly good energy situation with its mix of different energy sources: water power, oil, gas, and so far nuclear power," says Folke Parnerteg, head of the preparedness section at Vattenfall.

Furthermore, the energy preparedness is flexible and can be rapidly changed if necessary.

"But a catastrophe could occur even in peace time, when a city is totally knocked out. An evacuation plan then becomes extremely urgent. The communities, however, are doing nothing to protect the population unless they get paid by the state. So in spite of the fact that the Stockholm inhabitants are paying taxes, they don't have much security to show for the money," says Parnerteg.

"Those in charge at Vattenfall can, of course, switch off an area during an emergency. Generally, however, progress occurs step by step with voluntary savings, restrictions and finally rationing."

STOCKHOLM ENERGY SUPPLY SEEN VULNERABLE IN CASE OF DISASTER

Stockholm SVENSKA DAGBLADET in Swedish 25 Jan 87 p 9

[Article by Bodil Wallin: "Battery Radio Stockholm Inhabitant Support. Lack Of Preparedness If Energy Gone"]

[Text] Stockholm lacks an emergency plan for an energy crisis in peace time. It can become really difficult to figure out whom to contact if Stockholm's electricity or heating supply is knocked out. The authorities intend to solve the problems as they appear, otherwise you have to trust to the radio.

This became apparent when the SVENSKA DAGBLADET began to investigate the situation. The premise was that the district heating had been sabotaged and that the city had been hit simultaneously by an interruption in its electricity supply. Outside it is bitterly cold.

We first contacted the defense unit at the County Government Board. "We are responsible for the population in war time. Check with Vattenfall," we were told.

At Vattenfall they were very polite, but the answer was the same. Vattenfall is responsible for the supply of electricity, but in a disaster situation the responsibility is transferred to another authority.

"Try the County Government Board and the city of Stockholm," they told us.

Back to the County Government Board, and this time we get to speak with the Defense Director Gunnar Bengtsson.

No Plan

"Of course, we have the responsibility," he says. "But there is no evacuation plan. I usually say that as soon as there is a plan, it should be scrapped. In this case the question is: What would we do with the people? We don't know if the same problem exists in other areas.

"But if the heat were gone, there would be no hurry. There would be time to think about the resources. We could always resort to schools and assembly areas."

Gunnar Bengtsson adds that it is the primary responsibility of Stockholm Energy to protect its installations.

"We don't want to act as some sort of stepfather to Stockholm Energy, but we will, of course, be there for support. A city like Stockholm has enormous resources. The Real Estate Board and the Social Administration are called in directly, since this is actually a social question."

Surprised Department

The SVENSKA DAGBLADET calls up the Social Administration Division in Stockholm and receives a surprised "Do we have that kind of responsibility," in reply.

We are referred instead to Lennart Rydberg, street commissioner, as well as to the fire chief and Stockholm Energy.

We receive a prompt reply from Stig-Bjorn Rudolf, security chief for Stockholm Energy.

"The city is responsible for any evacuation. The Street Commissioner, Lennart Rydberg is responsible. Stockholm Energy takes care of the technical side.

"There is no evacuation plan, however. Such a plan could never be used. The city has a management group instead which is supposed to meet in case of a disaster. Its members then discuss what is to be done and whether the emergency plans, that are supposed to go into effect at the threat of war, can be used.

"Previously it was thought that Stockholm should be evacuated in case of war. Nowadays, those responsible want the population to remain in the city as far as possible."

The SVENSKA DAGBLADET now calls the city's politicians. The Street Commissioner Lennart Rydberg (Liberal Party) owns to his "complete responsibility" for the city's population, but not in peace time.

"In peace time the question should go to Carl Cederschiold," he says.

Right Man

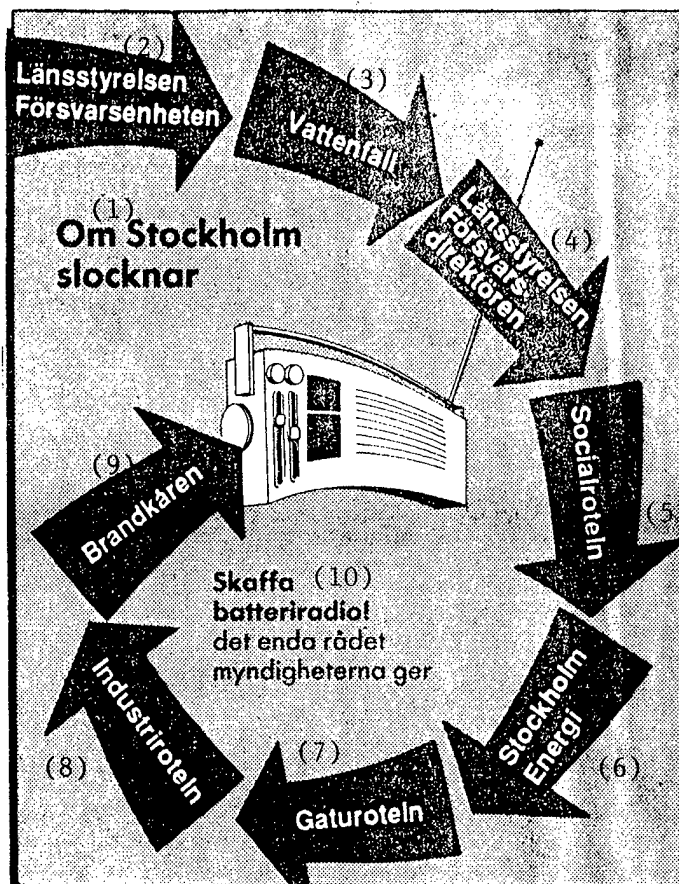
And finally we have found the right place. Yes, the industrial commissioner, who is a member of the Moderate Party, is supposed to take care of the Stockholm population when there is an energy crisis.

"Rydberg is the 'general' in times of war. I take care of the peace organization as far as energy is concerned," says Carl Cederschiold.

Along with the industrial commissioner, the fire authorities are also active in the newly created rescue service.

"The organization is so new that it is a little difficult to answer," says Sten Bergstrand, chief of the Civil Defense Division within the fire department.

"In peace time, the fire department can be contacted by means of the county alarm system. Then an assessment is made. We are supposed to be responsible for the so-called balancing-evacuation, that is evacuating those who do not have shelter space."



You're referred here and referred there...
Who is responsible for the emergency plan?

Key:

- | | |
|---|---------------------------------------|
| 1. If Stockholm goes out | 5. Social Administration Division |
| 2. County Government Board Defense Unit | 6. Stockholm Energy |
| 3. Vattenfall | 7. Street Commission |
| 4. County Government Board Defense Director | 8. Industry Commission |
| | 9. Fire Department |
| | 10. Get a battery-powered radio! |
| | The only advice given by authorities. |

Lack of Shelters

"Right now the city is working at high pressure on investigating the need for bomb shelters and other forms of protection."

The Stockholm inhabitants are suffering from a great lack of bomb shelters.

"That is why we have arrived at the solution that we may, after all, need to carry out large-scale evacuations and need plans for this purpose."

The conclusion then is that Stockholm does not have any evacuation plans. The inhabitants are expected to stay home.

But since the Stockholm inhabitants, for the greater part, lack bomb shelters, those responsible have reached the conclusion that evacuation plans are exactly what Stockholm needs. After all.

The SVENSKA DAGBLADET took the time to investigate the question. The inhabitants of Stockholm, who are suddenly struck by an energy crisis, will be in a hurry. It is not certain that they will have the time to find out which of the various authorities they are supposed to turn to. Perhaps some kind of information pamphlet would be in order?

"Of course, the greatest problem in a crisis situation is informing the public," Lennart Rydberg agrees. "But we are counting on the fact that most of them have radios. Although they would have to be battery-powered radios."

12339

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ENERGY

SWEDEN

BRIEFS

FEW FAVOR NUCLEAR POWER--A poll made by SIFO (the Swedish Institute for Public Opinion Polls) for the Swedish Energy Provision, Inc. shows that three-fourths of the country's population want more use of water power, wind power and natural gas in the future. Only eleven percent of the population wants nuclear power as a future source of energy even after the year 2010, according to the Press Wire Services (TT). While most people are against nuclear power, however, they are not prepared to pay the cost of an earlier shut-down of nuclear power themselves. According to Birgitta Dahl's expert group, a closing in 1997 instead of in 2010 would cost the Swedish society between 7,000 and 20,000 kronor per person. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 21 Jan 87 p 8]

12339
CSO:3650/56

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